STATE OF ALABAMA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended
September 30, 2001

Don Siegelman
Governor

Lucy Baxley
State Treasurer

Henry C. Mabry, III
Director of Finance

Susan D. Parker
State Auditor

Prepared by the
Department of Finance, Office of the State Comptroller
Robert L. Childree • State Comptroller

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INTRODUCTORY SECTION

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DON SIEGELMAN
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HENRY C. MABRY, III
Director of Finance

ROBERT L. CHILDREE
State Comptroller

March 31, 2002

To the Honorable Governor,
Members of the State Legislature, and
the Citizens of Alabama:

I am pleased to submit to you the Comprehensive Annual Financial Report (CAFR) for the State of Alabama for the year ended September 30, 2001. I believe the information as presented is accurate in all material respects and complies with Article IV, Section 72 of the *Constitution of Alabama of 1901* and Section 41-4-3(4) of the *Code of Alabama 1975*, as amended. The completeness and fairness of the presentation, including all disclosures, rests with the State's management. This report complies with Article V, Section 137 of the *Constitution of Alabama of 1901* and Section 36-16-1(6) of the *Code of Alabama 1975*, as amended, as the financial report for the State Auditor, State Treasurer, and State Comptroller.

Description of CAFR

The Comprehensive Annual Financial Report is divided into three sections:

- **The Introductory Section** contains this letter of transmittal, which includes financial highlights for 2001, the Certificate of Achievement for Excellence in Financial Reporting for the September 30, 2000 CAFR, a list of principal officials at September 30, 2001, and the State organization chart.
- **The Financial Section** includes the general purpose financial statements (combined statements and notes), combining financial statements, individual fund and account group statements, supplemental statements and schedules, and the Independent Auditor's Report.
- **The Statistical Section** includes selected financial and demographic information about the State, with an emphasis on multi-year trends.

This report presents financial information on all of State government as a single reporting entity. While State law allows many State organizations to operate largely independent of the daily central control and scrutiny of the State Finance Department, State Auditor, and State Treasurer, this report combines the financial data of all State organizations in order to present a comprehensive picture of State finances. The numerous departments, agencies, elected officials, boards, commissions, authorities, colleges, universities, and other organizational units of the State are included in this report in accordance with standards established by the Governmental Accounting Standards Board. These standards make a distinction between organizations which are considered to be part of the primary government of the State and those which are component units. A component unit is defined as a legally separate corporate entity for which the State is considered to be financially accountable. The criteria used to determine financial accountability includes the appointment of a majority of the governing board, the ability of the State to impose its will on the organization, and the potential for the organization to be a financial benefit or financial burden to the State. The State is also considered financially accountable for any organization having an independently appointed board if that organization is fiscally dependent on the State. An organization is fiscally dependent if it is unable to adopt a budget, set rates or charges, or issue bonded debt without the approval of the State. Component units can be reported as if they are a part of the primary government ("blended presentation") if they provide services solely to the government, but most of the State's component units do not and are therefore presented separately ("discrete presentation") in these financial statements. The largest of the blended component units includes the Corrections Institution Finance Authority, Industrial Access Road and Bridge Authority, and the Building Renovation Finance Authority. The most significant discretely presented component units are the Retirement Systems of Alabama, the Alabama Water Pollution Control Authority, the Department of Mental Health and Mental Retardation, the Alabama Housing Finance Authority, the four-year colleges and universities, the Alabama Public School and College Authority, and the Twenty-first Century Authority. Note 1 to the financial statements provides a more complete description of the State's reporting entity.

Economic Condition and Outlook

The slowdown in the state economy that began with the manufacturing sector is now affecting the remaining sectors. Construction, retail and wholesale trade, and services-related businesses, which have been strong sectors in recent years, had significant payroll job losses in 2001. For 2001 overall economic growth should be flat, much less than the 3.1 percent growth rate experienced in 2000. The current slowdown in the economy cannot be attributed to one single event, but a sequence of events that include gradual erosion of the state's manufacturing jobs, excess capacity built during the late 1990s that is now being scaled back, slackening worldwide demand, and the terrorist attacks.

Personal income growth in 2001 grew approximately 3.85 percent compared to 3.86 percent in 2000. Manufacturing job losses play a major role in why total personal income growth in Alabama has been among the slowest in the nation.

In the 12 months to October 2001, the state lost 30,400 jobs. The manufacturing sector, which accounts for about 18 percent of the state's total nonagricultural employment, lost 17,300 jobs. Durable goods manufacturers lost 10,200 jobs and nondurable goods producing industries lost 7,100 jobs. The nationwide manufacturing downturn, declining demand in both domestic and foreign markets, and worldwide recessionary conditions are among the major factors affecting manufacturing employment in the state and nationwide.

Manufactured products make up most of the state's exports. Alabama exports have declined with the deterioration of economic conditions worldwide. When 2001 export data are released, they should reflect a significant drop in exports from the 2000 level of a 15.6 percent increase.

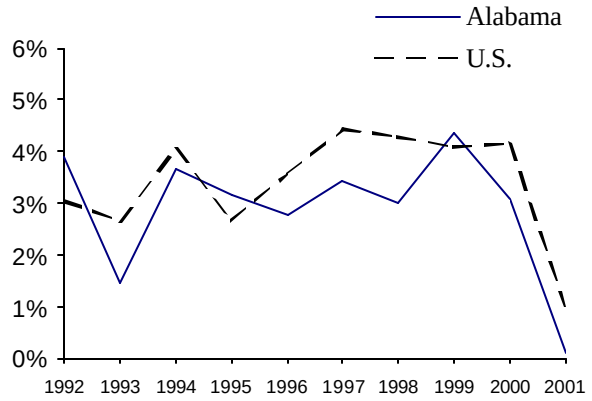
Trade, one of the fastest growing sectors in the state in recent years, lost 1,300 wholesale and 6,100 retail jobs for a total of 7,400 jobs. This is down significantly from the 2,900 jobs added over the October 1999 to October 2000 period. The decline can be attributed not only to slowing consumer spending, but also to excess retail capacity in an overbuilt retailing sector.

Services lost 1,400 jobs between October 2000 and October 2001, whereas the sector gained 8,100 jobs in the previous 12 months. Most of the job losses were due to sharp declines in high-tech service industries such as Internet service providers and web page designers.

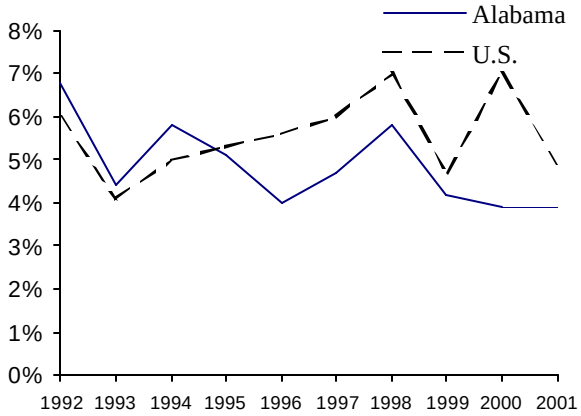
Construction suffered in the general economic slowdown as well. Private housing construction has remained fairly stable, especially in the major metropolitan areas. However, industrial and commercial construction has had the brunt of the slowdown. From October 2000 to October 2001, the state lost 1,900 construction jobs compared to 4,200 jobs added the previous year.

The forecast for 2002 calls for a slight improvement in the state economy. The recovery is expected to be modest and slow. Economic conditions will gradually start improving but remain weak at least through the first half of the year. Alabama's gross state product is expected to increase by 1.1 percent in 2002. The manufacturing sector is expected to remain weak through 2002. Improvements in the sector's output and employment are not likely to begin until late 2002 or early 2003. Services output and employment will grow in 2002 with health care and related services growing the fastest. The retail trade sector is expected to remain weak through the first half of the year.

Annual Growth of Gross Product
Last Ten Years



Annual Growth in Personal Income
Last Ten Years



Source: Center for Business and Economic Research, University of Alabama
University Outreach, Auburn University at Montgomery

Major Initiatives

On June 11, 2001, Toyota Motor Company officials broke ground at Toyota's new $220 million V-8 plant that will be located in Huntsville, Alabama. This makes Alabama the home to three of the world's top five automotive manufacturers. The plant will employ 350 workers and produce 120,000 V-8 engines for the North American-made Toyota Tundra pickup trucks each year. An independent report from Auburn University at Montgomery predicts that the Toyota plant will indirectly create 967 new jobs on top of the 350 the plant will employ directly. The new plant should begin production by the summer of 2003.

CRH North America announced a $21 million expansion to the Clanton, Alabama manufacturing plant that will create 345 new jobs. The 125,000 square foot expansion is expected to increase the company's annual sales to $80 million. CRH supplies a number of major auto manufacturers including Mercedes, Volkswagen, Audi and BMW.

Service Zone, Inc. announced that two new technology support and customer care facilities would be located in Marion County, Alabama. The facilities will create 1,200 new jobs.

Honda completed its manufacturing facility in Lincoln, Alabama, where the worldwide automotive maker is now producing the Odyssey minivan. The plant, which is Honda's third in the United States, will manufacture the Odyssey minivans as well as engines in the 1.7 million square foot plant. The plant may ultimately employ as many as 3,000 workers.

Construction began on a $200 million electricity generating station in Autauga County by Tenaska, Inc. The facility will create 500 jobs during construction and employ another 20 full-time workers once the plant is completed. The station will generate 885 megawatts of electricity, enough for 885,000 residences.

The Boeing Company and Pemco Aviation Group, Inc. will partner to provide maintenance for U.S. Air Force KC-135 aircraft. The new partnership will secure 1,400 jobs at Pemco's Birmingham facility.

Construction began on Corridor X, Birmingham to Memphis Highway, an important transportation route that will facilitate economic development in North Alabama. All but 1.5 miles of Corridor X were under construction by the end of 2001.

Phase one of the revitalization of the Port of Alabama with the demolition of a warehouse to make room for new port facilities began in April 2001. Phase one of the port revitalization includes a new metals cargo terminal at Pier North A, upgrades of track and equipment for rail interchange, a new forest products terminal on Pier North, a metals cargo terminal on Pier D and new container equipment at Pier 2.

Legislation was passed to issue bonds for a $90 million dollar biomedical research center. The center is expected to create 1,400 new, high-paying jobs and bring more than $100 million in new research grants to Alabama. Legislation was also passed which allows HealthSouth to build a $240 million, 219-bed, all-digital hospital that will have an Internet connection at each bed allowing physicians to check patient records online.

The State of Alabama is increasing outreach for uninsured children with the goal of insuring every child by the year 2005. Alabama has been cited as one of the top three most aggressive states in recruiting children for its health insurance initiative. Since Alabama's plan was approved in 1998, Alabama has been able to provide insurance to almost 90,000 children.

Financial Information

Internal Controls

The internal controls in the State's accounting system have been designed to comply with Alabama statutes requiring the audit of receipts and receivables; the determination of legality and correctness of each claim and expenditure; and, that funds are appropriated, allotted, and on deposit in the State Treasury before any warrant is issued. The internal controls include manual pre-audit and automated system edits. As an additional control, the State Auditor's Office is responsible for a post-audit of the accounts and records of the Department of Finance and the State Treasurer's Office. These internal accounting controls provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss or unauthorized disposition and the reliability of the financial records from which the financial reports are prepared. The concept of reasonable assurance recognizes that the cost of a control should not exceed the resulting benefits.

Budgetary Controls

Budgetary control is exercised through the Executive Budget Office of the State Finance Department based on the Appropriation Acts of the State Legislature. Alabama's annual Appropriation Acts include legally adopted budgets for the General Fund, the Education Trust Fund, and other budgeted funds. The Appropriation Acts identify the source of funding and the programmatic (functional) areas for which expenditures are authorized. Both the Alabama Constitution and the statutes require a balanced budget for annual financial operations. In the event that revenue collections do not meet budget projections, the Governor is required to prorate appropriations and restrict allotments to prevent an overdraft in any fiscal year for which appropriations are made. Allotments of appropriations are made quarterly based on plans of operations submitted by the departments and agencies. These appropriations and allotments are enforced by automated edits that prevent allotments in excess of appropriations and expenditures in excess of allotments. Encumbrance accounting is utilized as purchase orders are issued to insure that purchase orders plus expenditures do not exceed allotment balances. Controls are further tightened at fiscal year end by checking that the total of purchase orders plus expenditures plus any obligations (accounts payable) incurred against fiscal year appropriations do not exceed allotments, and remaining allotments do not exceed cash in the Treasury.

Cash Controls

The State's controls on cash are fiscally very conservative. Constitutional Amendment 26 prohibits the State Comptroller from drawing warrants on the State Treasury unless there is money on hand to cover those warrants. This is more restrictive at the end of the fiscal year when obligations (encumbrances and accounts payable) cannot exceed the available cash balance (cash less warrants payable). This control is enforced by automated edits and tends to result in positive fund balances, even when GAAP basis accruals are made in the financial statements. Compliance with Amendment 26 is demonstrated in the following exhibits for the General Fund and the Education Trust Fund.

Summary of Receipts, Disbursements, and Cash Balances
General Fund
Last Five Fiscal Years - Cash Basis (Treasury Cash Only)
(Amounts in Thousands)

	2001	2000	1999	1998	1997
Beginning Cash Balance, October 1	**$ 126,108**	**$ 84,298**	**$ 70,712**	**$ 68,192**	**$ 68,160**
Receipts	1,163,254	1,132,078	1,028,897	984,032	913,643
Disbursements	1,189,133	1,090,268	1,015,311	981,512	913,611
Net Increase (Decrease) in Cash Balance	**(25,879)**	**41,810**	**13,586**	**2,520**	**32**
Ending Cash Balance, September 30	**100,229**	**126,108**	**84,298**	**70,712**	**68,192**
Cash Balance Reserved for Obligations	38,637	65,662	8,796	38,876	21,017
Unobligated Cash Balance, September 30	**$ 61,592**	**$ 60,446**	**$ 75,502**	**$ 31,836**	**$ 47,175**

Summary of Receipts, Disbursements, and Cash Balances
Education Trust Fund
Last Five Fiscal Years - Cash Basis (Treasury Cash Only)
(Amounts in Thousands)

	2001	2000	1999	1998	1997
Beginning Cash Balance, October 1	**$ 44,044**	**$ 26,955**	**$ 27,946**	**$ 15,026**	**$ 37,978**
Receipts	4,014,710	4,114,374	3,911,480	3,734,616	3,526,799
Disbursements	4,026,135	4,097,285	3,912,471	3,721,696	3,549,751
Net Increase (Decrease) in Cash Balance	**(11,425)**	**17,089**	**(991)**	**12,920**	**(22,952)**
Ending Cash Balance, September 30	**32,619**	**44,044**	**26,955**	**27,946**	**15,026**
Cash Balance Reserved for Obligations	26,818	30,367	2,922	13,792	4,202
Unobligated Cash Balance, September 30	**$ 5,801**	**$ 13,677**	**$ 24,033**	**$ 14,154**	**$ 10,824**

General Fund and Special Revenue Fund Balances

The fund balances for the General Fund and the Education Trust Fund (ETF) for the last five fiscal years are presented in the following table. The fiscally conservative nature of Amendment 26 tends to produce positive fund balances every year. However, during the 1996 fiscal year, an error was made in the distribution of certain taxes which caused the ETF to have a deficit GAAP balance because it owed the General Fund $29 million to correct the error. The debt between the two funds was cleared in fiscal year 2000. The ETF fund balance increased substantially in 2001 because GASB 33 required the accrual of taxes receivable.

FUND BALANCES - GAAP Basis
(Amounts in Millions)

	2001	2000	1999	1998	1997
General Fund	$ 112.0	$ 87.9	$ 90.9	$ 77.1	$ 86.7
Education Trust Fund	326.9	26.4	(13.6)	(13.6)	(25.2)

General Government Functions - GAAP Basis

General government functions are accounted for in the General, Special Revenue, Debt Service, and Capital Projects funds of both the primary government and the component units. The GAAP basis revenues for governmental funds and the changes from the previous year are shown in the table below (the amounts in the table do not include expendable trust funds).

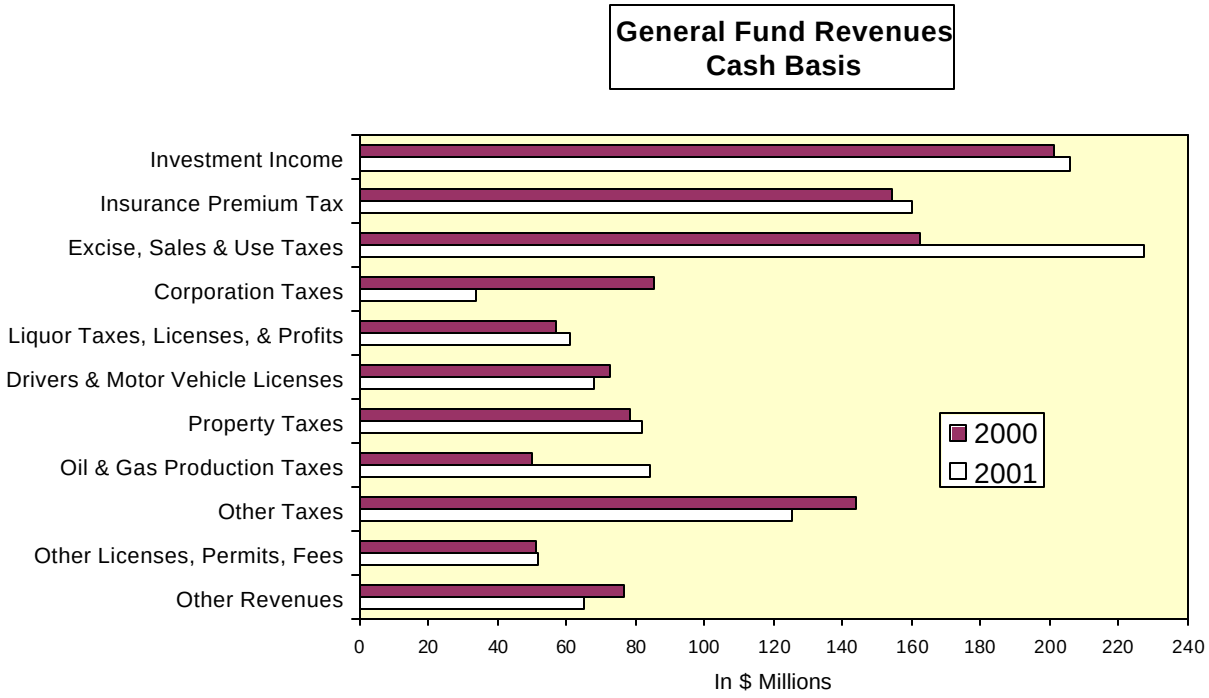
Source	2001 Amount (in 000's)	% of Total	2000 Amount (in 000's)	% of Total	Increase (Decrease) from 2000
Taxes	$ 5,881,843	47.1	$ 6,029,326	49.5	$ (147,483)
Licenses, Permits and Fees	461,181	3.7	469,307	3.8	(8,126)
Fines, Forfeits, and Court Settlements	138,380	1.1	164,834	1.4	(26,454)
Investment Income	120,439	1.0	119,252	1.0	1,187
Federal Grants and Reimbursements	4,692,132	37.6	4,257,589	34.8	434,543
Other Revenues	1,191,272	9.5	1,152,315	9.5	38,957
Total Revenues	**$ 12,485,247**	**100.0**	**$ 12,192,623**	**100.0**	**$ 292,624**

Governmental fund expenditures on a GAAP basis by functional areas and the changes from the previous fiscal year are presented in the table below (the amounts in the table do not include expendable trust funds). The largest dollar increase in expenditures from 2000 to 2001 was in Health-Physical and Mental.

Function	2001 Amount (in 000's)	% of Total	2000 Amount (in 000's)	% of Total	Increase (Decrease) from 2000
Economic Development and Regulation	$ 62,842	0.5	$ 59,157	0.5	$ 3,685
Education and Cultural Resources	3,447,664	29.2	3,484,666	30.7	(37,002)
Natural Resources and Recreation	55,617	0.5	49,404	0.4	6,213
Health - Physical and Mental	4,023,733	34.1	3,698,846	32.6	324,887
Social Services	1,226,268	10.4	1,145,938	10.1	80,330
Protection of Persons and Property	595,728	5.0	558,140	4.9	37,588
Transportation	1,082,933	9.2	962,505	8.6	120,428
General Government	481,502	4.1	440,908	3.9	40,594
Capital Outlay	277,095	2.3	319,549	2.8	(42,454)
Debt Service	235,335	2.0	303,437	2.7	(68,102)
Distributions to Local Governments	320,556	2.7	322,978	2.8	(2,422)
Total Expenditures	**$ 11,809,273**	**100.0**	**$ 11,345,528**	**100.0**	**$ 463,745**

General Fund Revenues and Expenditures - Cash Basis

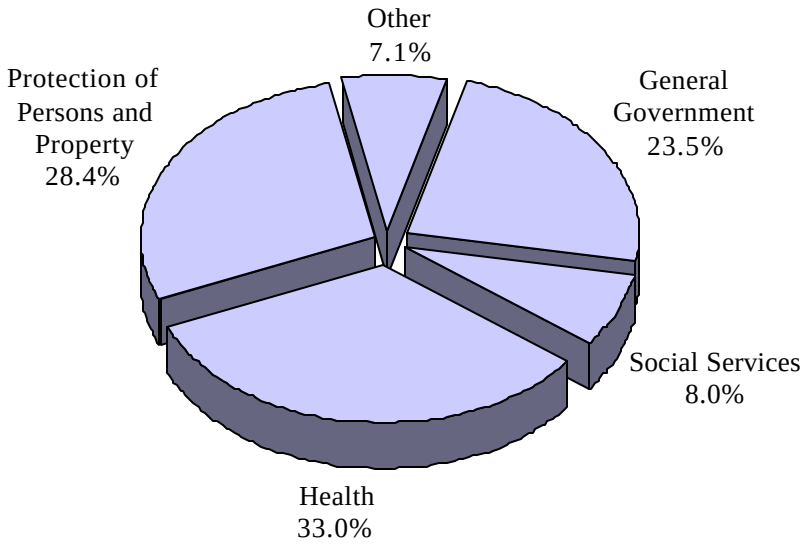
The General Fund accounts for many different governmental functions. Certain revenue sources are earmarked for use only in the General Fund. Total revenues on a cash basis in 2001 for the General Fund were $1.163 billion, an increase of $31 million over 2000. The largest decrease occurred in Corporation Taxes, which decreased $51.6 million because of changes in the tax laws. The largest revenue source for the General Fund for 2001 is Excise, Sales, and Use Taxes, accounting for 19.5 percent of total revenues.



Source	2001 Amount (in 000's)	% of Total	2000 Amount (in 000's)	% of Total	Increase (Decrease) from 2000
Investment Income	$ 205,777	17.7	$ 201,315	17.8	$ 4,462
Insurance Premium Tax	160,249	13.8	153,993	13.6	6,256
Excise, Sales & Use Taxes	227,384	19.5	162,359	14.4	65,025
Corporation Taxes	33,471	2.9	85,053	7.5	(51,582)
Liquor Taxes, Licenses, & Profits	61,125	5.3	56,806	5.0	4,319
Drivers & Motor Vehicle Licenses	67,770	5.8	72,734	6.4	(4,964)
Property Taxes	81,544	7.0	78,322	6.9	3,222
Oil & Gas Production Taxes	84,195	7.2	49,652	4.4	34,543
Other Taxes	125,290	10.8	144,017	12.7	(18,727)
Other Licenses, Permits, Fees	51,928	4.5	51,378	4.5	550
Other Revenues	64,521	5.5	76,449	6.8	(11,928)
Total Revenues	**$ 1,163,254**	**100.0**	**$ 1,132,078**	**100.0**	**$ 31,176**

General Fund expenditures totaled $1.189 billion in 2001, an increase of $98.9 million over 2000. General Fund expenditures are used primarily to support three functional areas of state government: Protection of Persons and Property (28.4 percent), Physical and Mental Health (33.0 percent), and General Government (23.5 percent).

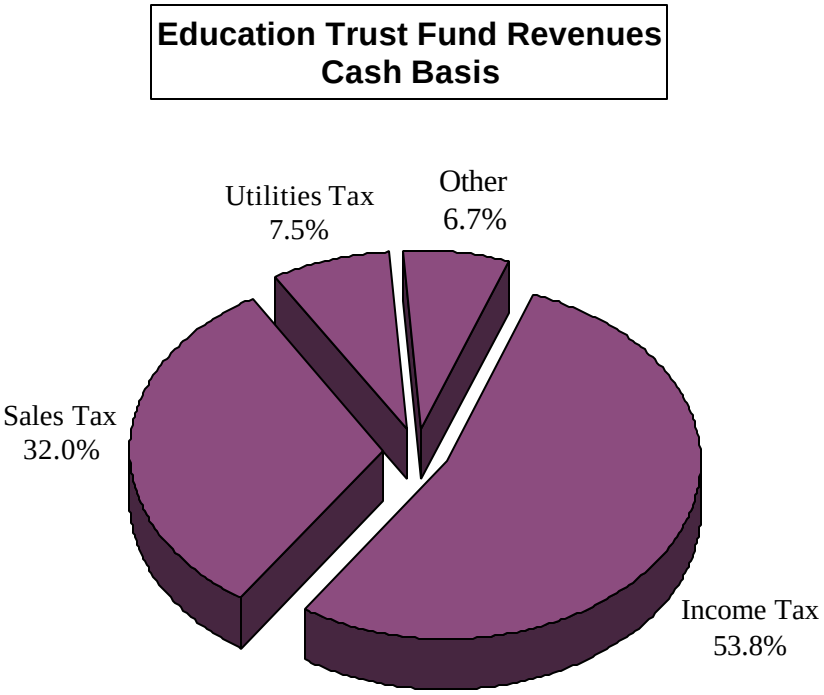
General Fund Expenditures By Function
Cash Basis



Function	2001 Amount (in 000's)	% of Total	2000 Amount (in 000's)	% of Total	Increase (Decrease) from 2000
Economic Development	$ 21,629	1.8	$ 22,163	2.0	$ (534)
Educational & Cultural	10,774	0.9	10,135	0.9	639
Natural Resources & Recreation	10,469	0.9	7,430	0.7	3,039
Health - Physical & Mental	392,490	33.0	389,523	35.8	2,967
Social Services	95,579	8.0	79,758	7.3	15,821
Protection of Persons & Property	337,162	28.4	314,285	28.8	22,877
Transportation	16	0.0	215	0.0	(199)
General Government	279,095	23.5	244,344	22.4	34,751
Debt Service	24,777	2.1	7,095	0.7	17,682
Distributions to Local Governments	17,142	1.4	15,320	1.4	1,822
Total Expenditures & Other Uses	**$ 1,189,133**	**100.0**	**$ 1,090,268**	**100.0**	**$ 98,865**

Education Trust Fund Revenues and Expenditures - Cash Basis

The Education Trust Fund (ETF) accounts for educational functions. Total revenues and other financing sources for the ETF were $4.0 billion, decreasing $99.7 million over 2000. The chief sources of revenues for the ETF remain the Income Tax and the General Sales Tax, contributing 85.8 percent of the total revenues.



Revenue Source	2001 Amount (in 000's)	% of Total	2000 Amount (in 000's)	% of Total	Increase (Decrease) from 2000
Income Tax	$ 2,161,324	53.8	$ 2,230,141	54.2	$ (68,817)
General Sales Tax	1,282,356	32.0	1,328,332	32.3	(45,976)
Utilities Tax	301,376	7.5	274,263	6.7	27,113
General Use Tax	193,989	4.8	181,845	4.4	12,144
Other Taxes	63,214	1.6	98,634	2.4	(35,420)
Other Revenues	12,451	0.3	1,159	0.0	11,292
Total Revenues	**$ 4,014,710**	**100.0**	**$ 4,114,374**	**100.0**	**$ (99,664)**

Expenditures and other uses of the ETF were approximately $4.0 billion in 2001. Ninety-seven percent of expenditures from the ETF were used for educational and cultural purposes. The remaining expenditures were used for education related programs.

Proprietary Funds

Internal Service Funds are maintained to account for the operations of State agencies which provide goods and services to other State agencies on a cost-reimbursement basis. These funds provide computer services, information technology, telecommunications, rental of office buildings, janitorial services, building maintenance, printing services, agricultural and manufacturing activities, sale of surplus property, operating and maintaining National Guard training sites, health insurance coverage for state employees, liability protection, and highway-related goods and services. The Building Renovation Finance Authority had a deficit retained earnings of $11.5 million largely because the fund's major assets are buildings, which have depreciated values that are less than the long-term debt associated with them.

Enterprise Funds are used to account for the operations of State agencies that provide goods and services to the public in a manner similar to private business enterprises. The major funds operate facilities for the distribution and sale of alcoholic beverages, operate state park and recreational facilities, provide for the operation of the Prepaid Affordable College Tuition program, provide services for shippers including warehousing, loading, and bulk cargo handling, and provide health insurance to local governments and citizens who have lost their group health insurance. The Alcoholic Beverage Control Board had a deficit in retained earnings of $4.9 million, largely due to the accrual of liabilities for compensated absences and salaries payable. The Board, by law, operates on a cash basis and is required to distribute 100 percent of its earnings.

Pension Trust Funds

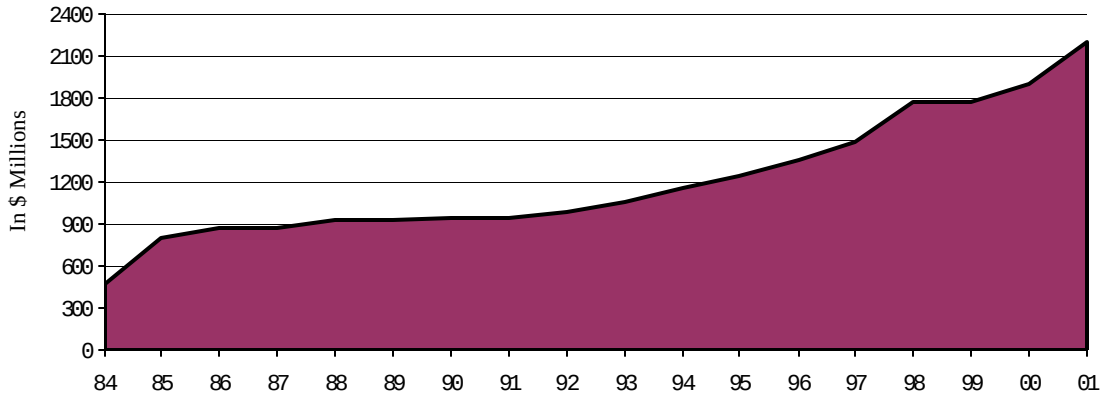
The State operates three major pension funds, the Teachers' Retirement System (TRS), Employees' Retirement System (ERS), and Judicial Retirement Fund (JRF). Expressing the actuarial value of assets as a percentage of the actuarial accrued liability provides one indication of the respective retirement systems' funding status on a going-concern basis. Analysis of this percentage over time indicates whether the respective system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the retirement system. Percentages funded as of the latest actuarial valuation date, September 30, 2000, for ERS (State employees and State policemen) and JRF were 104.9 and 89.0 percent, respectively. The percentage funded for TRS as of June 30, 2001, was 101.4 percent.

The Alabama Heritage and Alabama Trust Funds

Alabama maintains two important nonexpendable trust funds, the Alabama Heritage Trust Fund and the Alabama Trust Fund. Most of the interest income from both funds is transferred to the General Fund. The transfers to the General Fund are generally timed to coincide with debt service payments for general obligation bonds. An additional 10 percent of the earnings of the Alabama Trust Fund are used to fund the Forever Wild Trust Fund.

The Alabama Heritage Trust was created by constitutional amendment in 1982 as an irrevocable, permanent trust fund. As of September 30, 2001, the fund balance was $460.5 million. The Alabama Trust was created by constitutional amendment in 1985 as an irrevocable, permanent trust fund. The fund balance as of September 30, 2001, was $1.749 billion. The principal of both funds consists primarily of proceeds of oil and gas royalties. In accordance with the constitutional amendments, the Alabama Heritage Trust Fund merged into the Alabama Trust Fund in the first quarter of fiscal year 2002.

In 2001, the General Fund received $52.8 million from the Alabama Heritage Trust Fund and $81.7 million from the Alabama Trust Fund. Of the $81.7 million received from the Alabama Trust Fund, $17.1 million was distributed equally to the cities and counties to be used primarily for capital improvements. The Forever Wild Trust Fund received $9.1 million from the Alabama Trust Fund. Since their inception in 1982, the Heritage and Alabama Trusts have grown from $470 million to their current balance of $2.210 billion.



Debt Administration

Alabama has traditionally received high bond ratings from both Standard and Poor's Corporation and Moody's Investors Service due in large part to the commitment to sound fiscal management. Both the Alabama Constitution and the statutes require a balanced budget for annual financial operations. The State Constitution prohibits the issuance of debt. Therefore, the only way to issue general obligation debt is by amending the Constitution through a statewide vote of the people. The State does issue revenue bonds which are limited obligations of public corporations governed by State officials. Those revenue bonds are backed by a pledge of specific revenue sources for which the annual collections are generally predictable. The total outstanding general obligation bond indebtedness as of September 30, 2001, was $433.1 million and the total outstanding revenue bond indebtedness for the primary government was $492.3 million. The total outstanding revenue bond indebtedness for component units was $4.555 billion. The total outstanding bond indebtedness for the reporting entity at September 30, 2001, was $5.48 billion. The State's general obligation bond debt per capita increased to $97 during the year. The ratio of general obligation bond debt to assessed property valuation rose to 1.09 percent and the ratio of general obligation debt to personal income increased to 0.40 percent.

The State of Alabama issued $185,200,000 in general obligation bonds in fiscal year 2001. The Alabama Public School and College Authority issued $92,565,000 in new bonds. The Water Pollution Control Authority issued $61,795,000 in new bonds. The Drinking Water Finance Authority issued $25,895,000 in new bonds. The State Industrial Development Authority issued $5,000,000 in new bonds. The Housing Finance Authority issued $183,255,000 in new bonds and called approximately $128,582,000 of bonds in advance of their scheduled maturities. Auburn University issued $19,460,000 in refunding bonds. The refunding bonds were used to refund all outstanding Series 1991 bonds. Troy State University issued $13,750,000 in new bonds.

Cash Management

The State Treasurer has the responsibility for the investment of cash balances. Due to statutory requirements, treasury cash is primarily invested in time deposit--open accounts and in repurchase agreements with Alabama banks. Additionally, the State Treasurer continues the Linked Deposit Program, through which the State Treasurer agrees to accept two percentage points below U. S. Treasury rates for comparable securities, with the resulting savings being passed on to small businesses and agricultural loan applicants.

The State Treasurer has placed considerable emphasis on cash management. In cooperation with State agencies, the receiving of funds into the State Treasury is expedited, with all available funds being invested. Interest earnings during the 2000-2001 fiscal year were as follows:

Time Deposit - Open Accounts - Regular	$ 37.0 million
Time Deposit - Open Accounts - Linked Deposits	$ 4.1 million
Repurchase Agreements	$ 31.3 million
Other Investments	$ 439 thousand

Interest income is deposited in the State's General Fund to be appropriated by the Legislature for government operations. In addition to the management of the investment of these funds, the State Treasurer has statutory authority to invest for several state agencies, with interest earnings being credited to those agencies.

Risk Management

The State manages risk through risk control and risk financing to minimize the adverse effects of certain types of losses. Risk control is managed by such means as encouraging that automatic sprinkler systems in insured properties are adequate and in full functioning order, carefully investigating and defending claims to minimize loss potential, managing care programs, and promoting healthy employee programs. Risk financing includes self-insurance plus excess insurance and reinsurance through several different funds. The State Insurance Fund, which insures property against fire and casualty losses, has excess insurance and reinsurance to cover any additional damage amounts, plus earthquake and flood damage. The General Liability Trust Fund protects state employees against the risk of loss from employment-related liability claims. Automobile liability is fully reinsured. The State Employee Injury Compensation Trust Fund, which provides benefits to eligible state employees for job-incurred injuries, is self-insured. The State Employees' Insurance Fund, which provides health insurance benefits for current and retired state employees and their dependents, is self-insured. The Public Education Employees' Health Insurance Fund, which provides health benefits for current and retired employees and their dependents of state educational institutions, is also self-insured.

Audit

This CAFR has been audited by the Department of Examiners of Public Accounts. The Examiners conducted their audit in accordance with generally accepted auditing standards and *Government Auditing Standards* issued by the Comptroller General of the United States. The Examiners' unqualified opinion appears at the beginning of the financial section of this report. The State will also undergo an audit of federal programs to conform to the requirements of the *Federal Single Audit Act Amendments of 1996* and the *U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.* Information relating to the single audit, including the schedule of federal awards, and audit findings and recommendations, is issued in a separate report and will be available at a later date from the Examiners of Public Accounts.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the State of Alabama for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2000. This was the third consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements

Production of this report would not have been possible without the assistance of all state organizations which supplied financial information vital to the accuracy of this report. As we strive to produce this report in future years and to further enhance its quality, the continued support and cooperation of all agencies remains essential. I also express my appreciation to my entire staff in the Division of Control and Accounts, whose daily efforts to improve the accountability of state government make the quality of this report possible.

Respectfully submitted,

Robert L. Childree
State Comptroller

Certificate of Achievement for Excellence in Financial Reporting

Presented to

State of Alabama

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2000

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President

Executive Director

PRINCIPAL STATE OFFICIALS

September 30, 2001

EXECUTIVE BRANCH

Don Siegelman
Governor

Steve Windom
Lt. Governor

Lucy Baxley
State Treasurer

Jim Bennett
Secretary of State

Charles Bishop
Commissioner of Agriculture and Industries

William H. Pryor, Jr.
Attorney General

Susan D. Parker
State Auditor

JUDICIAL BRANCH

Roy Moore
Chief Justice of the Supreme Court

Justices of the Supreme Court

Jean Williams Brown

Robert Bernard Harwood, Jr.

J. Gorman Houston, Jr.

Douglas Inge Johnstone

Champ Lyons, Jr.

Harold F. See

Lyn Stuart

Thomas A. Woodall

LEGISLATIVE BRANCH

Lowell Ray Barron
Senate President, Pro Tempore

Seth Hammett
Speaker of the House

Ronald L. Jones
Examiners of Public Accounts

Joyce Bigbee
Legislative Fiscal Office

Jerry Bassett
Legislative Reference Service

EXECUTIVE BRANCH DEPARTMENTS

Henry C. Mabry, III
Department of Finance

Randall Smith
ABC Board

David Hutchinson
Alabama Development Office

Melissa M. Galvin
Department of Senior Services

Maria B. Campbell
State Banking Department

Riley Boykin Smith
Department of Conservation and Natural Resources

Col. James Alexander
Department of Public Safety

James K. Lyons
Alabama State Port Authority

Donald L. Parker
Board of Pardons and Paroles

Norman B. Davis, Jr.
ADECA

Brig. General Michael Hart Sumrall
State Military Department

Bill Fuller
Department of Human Resources

James Barnhart
Department of Labor

Kathy E. Sawyer
Department of Mental Health and Mental Retardation

Mark Burson
Bureau of Tourism and Travel

Michael W. Haley
Department of Corrections

Lee Helms
Emergency Management Agency

Paul Bowlin
Department of Transportation

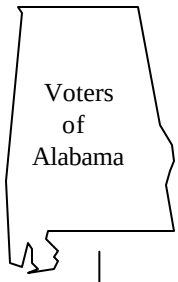
Alice McKinney
Department of Industrial Relations

Mike Lewis
Alabama Medicaid Agency

Cynthia Underwood
Department of Revenue

David Parsons
Department of Insurance

ORGANIZATION CHART



LEGISLATIVE BRANCH
House of Representatives
The Senate

Legislative Fiscal Office
Legislative Reference Service

Examiners of Public Accounts

EXECUTIVE BRANCH

JUDICIAL BRANCH
Supreme Court
Court of Civil Appeals
Court of Criminal Appeals
Circuit and District Courts
Administrative Office of Courts

Independent Agencies and Institutions

Archives and History
Building Commission
Commission on Higher Education
Criminal Justice Information Center
Education
Ethics Commission
Forensic Sciences
Forestry Commission
Geological Survey
Institutions of Higher Education
Oil & Gas Board
Office of Prosecution Services
Personnel Department
Postsecondary Education
Public Health
Public Library Services
Retirement Systems of Alabama
Securities Commission
Veterans Affairs
Youth Services
Other Boards & Commissions

Governor

Alcoholic Beverage Control Board
Alabama Development Office
Banking
Conservation and Natural Resources
Corrections
Economic and Community Affairs
Emergency Management
Environmental Management
Finance
Human Resources
Industrial Relations
Insurance
Labor
Medicaid
Mental Health and Retardation
Military
Pardons and Paroles
Public Safety
Revenue
Senior Services
State Port Authority
Tourism and Travel
Transportation

Other Elected Officials

Lieutenant Governor
Secretary of State
Attorney General
State Treasurer
State Auditor
State Board of Education
Agriculture & Industries Commissioner
Public Service Commission

FINANCIAL SECTION

State of Alabama
Department of
Examiners of Public Accounts

Ronald L. Jones
Chief Examiner

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying general purpose financial statements of the State of Alabama as of and for the year ended September 30, 2001, as contained in the accompanying Comprehensive Annual Financial Report and listed in its table of contents. These financial statements are the responsibility of the State of Alabama Department of Finance and management of the State of Alabama. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Employees' Retirement System, the Teachers' Retirement System, the Public Employees' Individual Retirement Account Fund, the Public Employees' Individual Retirement Fund/Deferred Compensation Plan (RSA-1), the Public Education Employees' Health Insurance Fund, the Alabama Heritage Trust Fund, the State Employees' Insurance Board, the Alabama Health Insurance Plan, the Alabama Port Authority, the Space Science Exhibit Commission, and the Alabama Higher Education Loan Corporation were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the State of Alabama as of September 30, 2001, and the results of its operations and cash flows of its proprietary fund types, nonexpendable trust funds and certain component units, changes in plan net assets of its pension trust funds, and the changes in fund balances and current fund revenues, expenditures and other changes of the university funds, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1 to the financial statements, the State of Alabama adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, and Statement No. 36, *Recipient Reporting for Certain Shared Nonexchange Revenues*, an amendment of GASB Statement No. 33, for the year ended September 30, 2001. This resulted in changes to the State of Alabama's methods of accounting for certain nonexchange transactions.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2002, on our consideration of the State's internal control over financial reporting and our tests of the State's compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the State of Alabama. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

The Schedule of Funding Progress on page 126 is not a required part of the general purpose financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and do not express an opinion on it. We also did not audit the data included in the Introductory and Statistical Sections and, accordingly, express no opinion on it.

RONALD L. JONES
Chief Examiner of Public Accounts

March 29, 2002

ALABAMA
TENNESSEE
MISSISSIPPI
GEORGIA
FLORIDA
GREAT SEAL

FINANCIAL SECTION
General Purpose Financial Statements

COMBINED BALANCE SHEET
All Fund Types, Account Groups, and Discretely Presented Component Units

September 30, 2001
(Amounts in Thousands)

	GOVERNMENTAL FUND TYPES				PROPRIETARY
	General	Special Revenue	Debt Service	Capital Projects	Enterprise
ASSETS AND OTHER DEBITS					
Cash and Cash Equivalents (Notes 1E, 3)	$ 110,004	$ 1,165,610	$ 4,960	$ 187,212	$ 86,297
Investments (Notes 1I, 3)	-	33,494	3,956	-	541,860
Accounts Receivable (Note 1G)	1	303	-	-	13,365
Taxes Receivable (Note 1G)	111,196	441,201	-	-	1,144
Interest and Dividends Receivable (Note 1G)	2,188	1	30	-	3,405
Mortgages, Notes, and Loans Receivable (Note 1G)	-	-	-	-	-
Employer Contributions Receivable	-	-	-	-	-
Member Contributions Receivable	-	-	-	-	-
Due from Other Funds (Notes 1F, 7)	5,707	23,490	-	-	117
Due from Primary Government (Notes 1F, 7)	-	-	-	-	-
Due from Component Units (Notes 1F, 7)	-	613	-	-	-
Due from Other Governments (Note 1G)	-	61,332	-	-	144
Inventory (Note 1H)	2,422	316	-	-	19,318
Restricted Assets (Note 1J)	-	-	-	-	21,741
Securities Lending Collateral (Note 3C)	-	-	-	-	-
Other Assets	6	35,731	-	-	81,860
Fixed Assets (Net of Accumulated Depreciation) (Note 4)	-	-	-	-	356,955
Amount Available in Debt Service Fund	-	-	-	-	-
Amount to be Provided for General Long-term Obligations	-	-	-	-	-
TOTAL ASSETS AND OTHER DEBITS	**$ 231,524**	**$ 1,762,091**	**$ 8,946**	**$ 187,212**	**$ 1,126,206**
LIABILITIES, EQUITY, AND OTHER CREDITS					
Liabilities					
Warrants Payable	$ 2,275	$ 24,716	$ -	$ -	$ 778
Accounts Payable	18,336	197,981	-	161	27,851
Salaries Payable	24,328	44,930	-	-	3,233
Interest Payable	-	20	-	-	-
Due to Other Funds (Notes 1F, 7)	3,458	20,087	169	-	10,399
Due to Primary Government (Notes 1F, 7)	-	-	-	-	-
Due to Component Units (Notes 1F, 7)	87	11,483	-	-	3,406
Due to Other Governments	3,676	82,774	-	-	1,035
Deferred Revenue	66,856	118,193	-	-	9,047
Amounts Held Pending Distribution	-	431	-	-	-
Amounts Held in Custody for Others	20	45,275	-	-	1
Securities Lending Obligation (Note 3C)	-	-	-	-	-
Compensated Absences (Note 1L)	536	897	-	-	10,276
Insurance Claims Incurred But Not Reported	-	-	-	-	7,558
Other Liabilities	-	-	-	-	569,023
Notes and Mortgages Payable (Note 5)	-	-	-	-	1,419
General Obligation Bonds Payable (Note 5)	-	-	-	-	-
Revenue Bonds Payable (Note 5)	-	-	-	-	176,993
Capital Lease Obligations (Note 5)	-	-	-	-	4,118
Total Liabilities	**119,572**	**546,787**	**169**	**161**	**825,137**
Equity and Other Credits					
Investment in Fixed Assets	-	-	-	-	-
Contributed Capital (Note 6B)	-	-	-	-	100,789
Retained Earnings, Reserved (Note 6C)	-	-	-	-	-
Retained Earnings, Unreserved	-	-	-	-	200,280
Fund Balances:					
Reserved for Encumbrances	5,623	56,564	-	-	-
Reserved for Inventory (Note 1H)	2,422	316	-	-	-
Reserved for Specific Purposes (Note 6C)	-	44,903	-	-	-
Unreserved, Undesignated	103,907	1,113,521	-	-	-
Unreserved, Designated (Note 6C)	-	-	8,777	187,051	-
Reserved for Employees' Pension Benefits (Note 9)	-	-	-	-	-
Total Equity and Other Credits (Note 1N)	**111,952**	**1,215,304**	**8,777**	**187,051**	**301,069**
TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS	**$ 231,524**	**$ 1,762,091**	**$ 8,946**	**$ 187,212**	**$ 1,126,206**

The Notes to the Financial Statements are an integral part of this statement.

FUND TYPES	FIDUCIARY	ACCOUNT GROUPS					
Internal Service	Trust and Agency	General Fixed Assets	General Long-term Obligations	Higher Education	Totals (Memorandum Only) Primary Government	Component Units	Totals (Memorandum Only) Reporting Entity
$ 148,839	$ 818,019	$ -	$ -	$ 67,229	$ 2,588,170	$ 1,265,444	$ 3,853,614
245,343	2,140,970	-	-	65,246	3,030,869	26,884,743	29,915,612
5,770	22,333	-	-	28,989	70,761	370,682	441,443
-	-	-	-	-	553,541	2,495	556,036
1,392	21,754	-	-	-	28,770	319,520	348,290
-	32	-	-	1,434	1,466	390,390	391,856
-	-	-	-	-	-	30,502	30,502
-	-	-	-	-	-	26,863	26,863
12,766	1,599	-	-	12,125	55,804	-	55,804
-	-	-	-	-	-	14,991	14,991
583	-	-	-	-	1,196	36,343	37,539
1,049	-	-	-	-	62,525	622,124	684,649
25,817	-	-	-	7,443	55,316	31,349	86,665
-	-	-	-	-	21,741	2,090	23,831
-	-	-	-	-	-	771,944	771,944
4,354	2	-	-	45,621	167,574	211,349	378,923
127,542	28,425	1,252,539	-	624,176	2,389,637	3,015,585	5,405,222
-	-	-	8,777	-	8,777	75,272	84,049
-	-	-	781,591	-	781,591	1,591,794	2,373,385
$ 573,455	**$ 3,033,134**	**$ 1,252,539**	**$ 790,368**	**$ 852,263**	**$ 9,817,738**	**$ 35,663,480**	**$ 45,481,218**
$ 983	$ 30,071	$ -	$ -	$ -	$ 58,823	$ 39,106	$ 97,929
8,916	3,540	-	-	13,079	269,864	159,980	429,844
4,452	43	-	-	-	76,986	10,823	87,809
-	-	-	-	-	20	34,764	34,784
3,456	6,110	-	-	12,125	55,804	-	55,804
-	-	-	-	-	-	1,196	1,196
15	-	-	-	-	14,991	36,343	51,334
9,116	15,070	-	-	-	111,671	113,129	224,800
19,649	2,014	-	-	3,500	219,259	274,999	494,258
-	124,838	-	-	-	125,269	-	125,269
10,789	156,598	-	-	53,835	266,518	120,790	387,308
-	-	-	-	-	-	771,944	771,944
12,976	54	-	196,768	9,577	231,084	83,215	314,299
74,164	-	-	-	-	81,722	-	81,722
29,134	-	-	22,542	697	621,396	94,125	715,521
-	-	-	-	2,010	3,429	33,214	36,643
-	-	-	433,058	-	433,058	-	433,058
93,251	-	-	116,111	105,992	492,347	4,554,715	5,047,062
2,656	-	-	21,889	6,587	35,250	50,662	85,912
269,557	**338,338**	**0**	**790,368**	**207,402**	**3,097,491**	**6,379,005**	**9,476,496**
-	-	1,252,539	-	516,663	1,769,202	868,945	2,638,147
53,126	-	-	-	-	153,915	26,653	180,568
28,518	-	-	-	-	28,518	81,326	109,844
222,254	-	-	-	-	422,534	329,055	751,589
-	13	-	-	-	62,200	5,124	67,324
-	-	-	-	-	2,738	2,569	5,307
-	2,283,179	-	-	4,114	2,332,196	1,134,344	3,466,540
-	388,139	-	-	105,394	1,710,961	3,248,642	4,959,603
-	-	-	-	18,690	214,518	307,993	522,511
-	23,465	-	-	-	23,465	23,279,824	23,303,289
303,898	**2,694,796**	**1,252,539**	**0**	**644,861**	**6,720,247**	**29,284,475**	**36,004,722**
$ 573,455	**$ 3,033,134**	**$ 1,252,539**	**$ 790,368**	**$ 852,263**	**$ 9,817,738**	**$ 35,663,480**	**$ 45,481,218**

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
All Governmental Fund Types, Expendable Trust Funds, and Discretely Presented Component Units

For the Fiscal Year Ended September 30, 2001

(Amounts in Thousands)

	GOVERNMENTAL FUND TYPES				
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trusts
REVENUES					
Taxes	$ 763,312	$ 4,863,978	$ -	$ -	$ 163,168
Licenses, Permits, and Fees	118,648	342,186	-	-	13
Fines, Forfeits, and Court Settlements	19,677	15,626	-	-	1,414
Investment Income	74,643	12,539	461	3,009	26,645
Federal Grants and Reimbursements	30	4,647,819	-	-	24,568
Other Revenues	1,715	972,680	7,237	-	25,338
Total Revenues	**978,025**	**10,854,828**	**7,698**	**3,009**	**241,146**
EXPENDITURES					
Current:					
Economic Development and Regulation	7,493	55,349	-	-	-
Education and Cultural Resources	5,043	3,434,280	-	-	-
Natural Resources and Recreation	6,099	48,989	-	-	14
Health - Physical and Mental	283,919	3,264,226	-	-	-
Social Services	24,067	1,202,201	-	-	298,862
Protection of Persons and Property	329,163	266,565	-	-	-
Transportation	-	1,082,933	-	-	-
General Government	252,892	228,558	-	-	1,429
Distributions to Local Governments	-	320,556	-	-	-
Capital Outlay	-	2,450	-	24	-
Debt Service - Principal Retirement	22,975	30,628	10,755	-	-
Debt Service - Interest and Other Charges	3,430	11,367	6,390	757	-
Total Expenditures	**935,081**	**9,948,102**	**17,145**	**781**	**300,305**
Revenues Over (Under) Expenditures	**42,944**	**906,726**	**(9,447)**	**2,228**	**(59,159)**
OTHER FINANCING SOURCES (USES)					
Operating Transfers In (Notes 1F, 7)	187,656	218,544	9,975	17,231	9,347
Operating Transfers from Primary Government (Notes 1F, 7)	-	-	-	-	-
Operating Transfers from Component Units (Notes 1F, 7)	2,590	124,044	-	-	-
Operating Transfers Out (Notes 1F, 7)	(157,614)	(336,014)	(277)	(17,309)	(25,404)
Operating Transfers to Primary Government (Notes 1F, 7)	-	-	-	-	-
Operating Transfers to Component Units (Notes 1F, 7)	(95,608)	(878,126)	-	-	-
Bond Proceeds	-	5,287	309	176,958	-
Capital Lease Proceeds	25	-	-	-	-
Total Other Financing Sources (Uses)	**(62,951)**	**(866,265)**	**10,007**	**176,880**	**(16,057)**
Revenues and Other Sources Over (Under) Expenditures and Other Uses	**(20,007)**	**40,461**	**560**	**179,108**	**(75,216)**
Fund Balances, October 1, 2000 (Note 6)	87,853	771,430	8,670	7,943	455,324
Restatements (Note 6A)	44,391	403,525	(453)	-	8,044
Increase (Decrease) in Reserve for Inventory (Note 1H)	(285)	(112)	-	-	-
Fund Balances, September 30, 2001	**$ 111,952**	**$ 1,215,304**	**$ 8,777**	**$ 187,051**	**$ 388,152**

The Notes to the Financial Statements are an integral part of this statement.

Totals (Memorandum Only) Primary Government	Component Units	Totals (Memorandum Only) Reporting Entity
$ 5,790,458	$ 254,553	$ 6,045,011
460,847	4,159	465,006
36,717	103,077	139,794
117,297	90,717	208,014
4,672,417	46,177	4,718,594
1,006,970	252,749	1,259,719
12,084,706	**751,432**	**12,836,138**
62,842	-	62,842
3,439,323	8,341	3,447,664
55,102	529	55,631
3,548,145	475,588	4,023,733
1,525,130	-	1,525,130
595,728	-	595,728
1,082,933	-	1,082,933
482,879	24,158	507,037
320,556	-	320,556
2,474	274,621	277,095
64,358	63,570	127,928
21,944	85,463	107,407
11,201,414	**932,270**	**12,133,684**
883,292	**(180,838)**	**702,454**
442,753	-	442,753
-	134,588	134,588
126,634	156,110	282,744
(536,618)	-	(536,618)
-	(126,675)	(126,675)
(973,734)	(155,610)	(1,129,344)
182,554	105,442	287,996
25	-	25
(758,386)	**113,855**	**(644,531)**
124,906	**(66,983)**	**57,923**
1,331,220	1,420,614	2,751,834
455,507	9,625	465,132
(397)	(130)	(527)
$ 1,911,236	**$ 1,363,126**	**$ 3,274,362**

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND OTHER CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - (Non-GAAP Budgetary Basis)

All Budgeted Funds

For the Fiscal Year Ended September 30, 2001

(Amounts in Thousands)

	GENERAL FUND			EDUCATION TRUST FUND		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Taxes	$787,158	$764,809	$ (22,349)	$4,031,891	$4,002,288	$ (29,603)
Licenses, Permits and Fees	122,119	118,652	(3,467)	480	476	(4)
Fines and Forfeits	20,253	19,678	(575)	-	-	-
Investment Income	73,639	71,548	(2,091)	-	-	-
Federal Grants and Reimbursements	31	30	(1)	-	-	-
Other Revenues	1,667	1,620	(47)	887	880	(7)
Total Revenues	**1,004,867**	**976,337**	**(28,530)**	**4,033,258**	**4,003,644**	**(29,614)**
EXPENDITURES						
Administrative Office of Courts	120,151	120,081	70	-	-	-
Agriculture and Industries	14,610	14,610	-	-	-	-
Attorney General	9,959	9,956	3	-	-	-
Auditor	957	935	22	-	-	-
Commission on Higher Education	-	-	-	13,172	12,893	279
Corrections	187,005	186,920	85	-	-	-
Economic and Community Affairs	23,669	22,688	981	-	-	-
Education	-	-	-	2,711,781	2,710,377	1,404
Emergency Management	6,069	4,540	1,529	-	-	-
Examiners of Public Accounts	12,335	12,335	-	2,811	2,811	-
Finance	7,974	7,735	239	-	-	-
Governor	5,807	5,598	209	-	-	-
Human Resources	-	-	-	-	-	-
Industrial Relations	691	660	31	-	-	-
Legislature	17,439	15,190	2,249	-	-	-
Medicaid	235,868	235,868	-	-	-	-
Mental Health and Retardation	-	-	-	-	-	-
Postsecondary Education	-	-	-	246,324	246,270	54
Public Health	48,700	48,699	1	15,513	15,384	129
Public Safety	64,116	64,014	102	-	-	-
Public Service Commission	-	-	-	-	-	-
Rehabilitation Services	1,973	1,973	-	27,799	27,799	-
Revenue	129	62	67	-	-	-
Secretary of State	1,794	1,301	493	-	-	-
Transportation	-	-	-	-	-	-
Treasurer	2,923	2,344	579	-	-	-
Youth Services	16,406	16,406	-	48,437	47,983	454
Colleges and Universities	-	-	-	830,811	830,811	-
Other	175,011	168,069	6,942	95,590	94,928	662
Total Expenditures	**953,586**	**939,984**	**13,602**	**3,992,238**	**3,989,256**	**2,982**
Revenues Over (Under) Expenditures	**51,281**	**36,353**	**(14,928)**	**41,020**	**14,388**	**(26,632)**
OTHER FINANCING SOURCES (USES)						
Operating Transfers In (Note 1F)	195,057	189,519	(5,538)	11,348	11,265	(83)
Operating Transfers Out (Note 1F)	(246,338)	(244,747)	1,591	(52,368)	(42,664)	9,704
Bond Proceeds	-	-	-	-	-	-
Total Other Financing Sources (Uses)	**(51,281)**	**(55,228)**	**(3,947)**	**(41,020)**	**(31,399)**	**9,621**
Revenues and Other Sources Over (Under) Expenditures and Other Uses	**$ 0**	**(18,875)**	**$ (18,875)**	**$ 0**	**(17,011)**	**$ (17,011)**

EARMARKED FUNDS			Totals (MEMORANDUM ONLY)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
$ 995,937	$ 757,995	$ (237,942)	$5,814,986	$ 5,525,092	$ (289,894)
372,149	283,238	(88,911)	494,748	402,366	(92,382)
19,158	14,581	(4,577)	39,411	34,259	(5,152)
113,699	86,535	(27,164)	187,338	158,083	(29,255)
6,148,786	4,679,765	(1,469,021)	6,148,817	4,679,795	(1,469,022)
1,665,641	1,267,699	(397,942)	1,668,195	1,270,199	(397,996)
9,315,370	**7,089,813**	**(2,225,557)**	**14,353,495**	**12,069,794**	**(2,283,701)**
28,010	19,793	8,217	148,161	139,874	8,287
18,206	14,414	3,792	32,816	29,024	3,792
3,155	1,772	1,383	13,114	11,728	1,386
-	-	-	957	935	22
5,273	2,833	2,440	18,445	15,726	2,719
61,179	50,723	10,456	248,184	237,643	10,541
215,125	168,446	46,679	238,794	191,134	47,660
767,433	629,630	137,803	3,479,214	3,340,007	139,207
89,348	51,967	37,381	95,417	56,507	38,910
2,264	1,444	820	17,410	16,590	820
98,441	81,623	16,818	106,415	89,358	17,057
-	-	-	5,807	5,598	209
932,251	917,525	14,726	932,251	917,525	14,726
85,915	69,676	16,239	86,606	70,336	16,270
-	-	-	17,439	15,190	2,249
2,946,104	2,876,950	69,154	3,181,972	3,112,818	69,154
501,533	479,186	22,347	501,533	479,186	22,347
2,708	1,727	981	249,032	247,997	1,035
399,312	322,861	76,451	463,525	386,944	76,581
36,679	20,688	15,991	100,795	84,702	16,093
13,605	12,385	1,220	13,605	12,385	1,220
93,991	81,313	12,678	123,763	111,085	12,678
86,514	83,795	2,719	86,643	83,857	2,786
1,740	952	788	3,534	2,253	1,281
2,956,719	1,134,784	1,821,935	2,956,719	1,134,784	1,821,935
6,045	4,308	1,737	8,968	6,652	2,316
20,292	4,952	15,340	85,135	69,341	15,794
66	66	-	830,877	830,877	-
993,898	584,792	409,106	1,264,499	847,789	416,710
10,365,806	**7,618,605**	**2,747,201**	**15,311,630**	**12,547,845**	**2,763,785**
(1,050,436)	**(528,792)**	**521,644**	**(958,135)**	**(478,051)**	**480,084**
780,206	593,805	(186,401)	986,611	794,589	(192,022)
-	-	-	(298,706)	(287,411)	11,295
270,230	270,230	-	270,230	270,230	-
1,050,436	**864,035**	**(186,401)**	**958,135**	**777,408**	**(180,727)**
$ 0	**335,243**	**$ 335,243**	**$ 0**	**$ 299,357**	**$ 299,357**

Continued on next page ...

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND OTHER CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - (Non-GAAP Budgetary Basis)
All Budgeted Funds (Continued from previous page)
For the Fiscal Year Ended September 30, 2001

(Amounts in Thousands)

	BUDGETARY FUND TYPES					
	General Fund	Education Trust Fund	Earmarked Funds	Special Revenue	Debt Service	Capital Projects
Revenues and Other Sources Over (Under) Expenditures and Other Uses	**(18,875)**	**(17,011)**	**335,243**			
Reconciliation to GAAP Basis:						
Perspective Differences:						
Reclassification of budgetary funds to GAAP financial statement fund types	-	17,011	(335,243)	68,661	-	178,416
Basis Differences:						
Accruals of revenues and other revenue adjustments	10,445			17,454	-	-
Accruals of expenditures, expenses and other non-budgeted items	(2,555)			11,517	-	-
To remove asset purchases treated as budgetary expenditures	-			384	-	-
To remove encumbrances recognized as expenditures	5,467			55,852	-	-
Timing Differences:						
Prior budget year revenue adjustments	(8,007)			(84,235)	-	(13)
To remove budget expenditures/expenses not accrued as liabilities	173			(1,915)	-	807
To recognize prior budget year expenditures/expenses	(6,655)			(26,052)	-	(102)
Entity Differences:						
Add net operating results for funds not budgeted	-			(1,205)	560	-
Revenues and Other Sources Over (Under) Expenditures/Expenses and Other Uses - GAAP Basis	**(20,007)**	**0**	**0**	**40,461**	**560**	**179,108**
Fund Balances/Equity, October 1, 2000 (Note 6)	**87,853**			**771,430**	**8,670**	**7,943**
Restatements (Note 6A)	44,391			403,525	(453)	-
Increase (Decrease) in Reserve for Inventory	(285)			(112)	-	-
Increase (Decrease) in Contributed Capital (Note 6B)	-			-	-	-
Fund Balances/Equity, September 30, 2001	**$111,952**			**$1,215,304**	**$ 8,777**	**$ 187,051**

The Notes to the Financial Statements are an integral part of this statement.

FINANCIAL STATEMENT FUND TYPES							
					COMPONENT UNITS		
Expendable Trusts	Enterprise	Internal Service	Nonexpendable Trusts	Pension Trusts	Governmental Funds and Expendable Trusts	Proprietary Funds and Nonexpendable Trusts	Pension Trusts
492	(34,889)	3,432	457	(17)	105,546	(232)	(3,634)
12	1,530	11,969	5,850	-	19,023	1	1,065
(1,439)	(7,459)	(15,839)	-	(13)	(6,281)	(137)	3,861
-	215	14,549	-	-	(83)	-	410
12	206	12,579	-	21	4,556	18	484
-	(90,263)	(17,505)	(9,396)	-	(19,763)	-	(1,117)
9,745	1,411	(310)	-	-	24,357	-	855
(3)	(2,602)	(641)	-	-	(262,964)	-	(197)
(84,035)	5,183	36,942	292,112	(1,010)	68,626	92,743	(2,148,222)
(75,216)	**(126,668)**	**45,176**	**289,023**	**(1,019)**	**(66,983)**	**92,393**	**(2,146,495)**
455,324	**424,796**	**257,524**	**1,977,905**	**24,491**	**1,420,614**	**354,521**	**25,426,319**
8,044	2,838	730	16,251	(7)	9,625	(336)	-
-	-	-	-	-	(130)	-	-
-	103	468	-	-	-	-	-
$ 388,152	**$ 301,069**	**$ 303,898**	**$2,283,179**	**$ 23,465**	**$ 1,363,126**	**$ 446,578**	**$23,279,824**

COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND EQUITY
All Proprietary Fund Types, Nonexpendable Trust Funds, and Discretely Presented Component Units

For the Fiscal Year Ended September 30, 2001

(Amounts in Thousands)

	PROPRIETARY FUND TYPES		
	Enterprise	Internal Service	Nonexpendable Trusts
OPERATING REVENUES			
Charges for Goods and Services	$ 284,667	$ 185,066	$ 85
Investment Income	(82,859)	13,591	174,427
Insurance Premiums	56,560	755,640	-
Rents and Leases	165	15,070	256,661
Sale of Land, Timber, and Minerals	37	89	503
Interest from Mortgages and Loans Receivable	-	-	-
Licenses and Fees	-	-	493
Total Operating Revenues	**258,570**	**969,456**	**432,169**
OPERATING EXPENSES			
Salaries, Wages, and Benefits	44,765	77,070	-
Utilities and Communications	5,500	17,277	-
Professional Services	4,682	27,003	34
Supplies, Materials, and Operating Expenses	145,349	38,535	-
Interest	-	5,350	-
Depreciation	17,536	20,024	-
Insurance Claims	61,581	727,145	-
Grants to Colleges and Universities	-	-	864
Tuition Benefits Expense	50,363	-	-
Operations and Maintenance	35,452	-	-
General and Administrative	8,628	-	-
Other	13,529	28,895	-
Total Operating Expenses	**387,385**	**941,299**	**898**
Operating Income (Loss)	**(128,815)**	**28,157**	**431,271**
NONOPERATING REVENUES (EXPENSES)			
Taxes	26,969	-	-
Investment Income	2,259	1,227	-
Other Nonoperating Revenues	2,881	5,228	261
Interest Expense	(10,704)	(91)	-
Other Nonoperating Expenses	(834)	(1,249)	-
Total Nonoperating Revenues (Expenses)	**20,571**	**5,115**	**261**
Income (Loss) Before Operating Transfers	**(108,244)**	**33,272**	**431,532**
TRANSFERS			
Operating Transfers In (Notes 1F, 7)	4,365	12,564	1,982
Operating Transfers from Primary Government (Notes 1F,7)	-	-	-
Operating Transfers from Component Units (Notes 1F,7)	-	282	407
Operating Transfers Out (Notes 1F, 7)	(22,837)	(946)	(144,898)
Operating Transfers to Primary Government (Notes 1F, 7)	-	-	-
Operating Transfers to Component Units (Notes 1F, 7)	-	-	-
Total Transfers	**(18,472)**	**11,900**	**(142,509)**
Net Income (Loss) Before Extraordinary Items	**(126,716)**	**45,172**	**289,023**
Extraordinary Income (Loss)	48	4	-
Net Income (Loss)	**(126,668)**	**45,176**	**289,023**
Fund Equity, October 1, 2000 (Note 6)	424,796	257,524	1,977,905
Restatements (Note 6A)	2,838	730	16,251
Increase (Decrease) in Contributed Capital (Note 6B)	103	468	-
Fund Equity, September 30, 2001	**$ 301,069**	**$ 303,898**	**$ 2,283,179**

The Notes to the Financial Statements are an integral part of this statement.

Totals (Memorandum Only) Primary Government	Component Units	Totals (Memorandum Only) Reporting Entity
$ 469,818	$ 31,029	$ 500,847
105,159	134,434	239,593
812,200	-	812,200
271,896	312	272,208
629	-	629
-	55,423	55,423
493	-	493
1,660,195	**221,198**	**1,881,393**
121,835	4,515	126,350
22,777	576	23,353
31,719	5,592	37,311
183,884	46,925	230,809
5,350	104,008	109,358
37,560	3,758	41,318
788,726	-	788,726
864	-	864
50,363	-	50,363
35,452	-	35,452
8,628	-	8,628
42,424	4,102	46,526
1,329,582	**169,476**	**1,499,058**
330,613	**51,722**	**382,335**
26,969	-	26,969
3,486	420	3,906
8,370	38,087	46,457
(10,795)	(1,734)	(12,529)
(2,083)	-	(2,083)
25,947	**36,773**	**62,720**
356,560	**88,495**	**445,055**
18,911	-	18,911
-	5,719	5,719
689	13,388	14,077
(168,681)	-	(168,681)
-	(616)	(616)
-	(13,888)	(13,888)
(149,081)	**4,603**	**(144,478)**
207,479	**93,098**	**300,577**
52	(705)	(653)
207,531	**92,393**	**299,924**
2,660,225	354,521	3,014,746
19,819	(336)	19,483
571	-	571
$ 2,888,146	**$ 446,578**	**$ 3,334,724**

COMBINED STATEMENT OF CASH FLOWS
All Proprietary Fund Types, Nonexpendable Trust Funds, and Discretely Presented Component Units

For the Fiscal Year Ended September 30, 2001
(Amounts in Thousands)

	PROPRIETARY			Totals (Memorandum Only)
	Enterprise	Internal Service	Nonexpendable Trusts	Primary Government
Cash Flows From Operating Activities				
Operating Income (Loss)	$ (128,815)	$ 28,157	$ 431,271	$ 330,613
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Purchase of Program Loans and Investments	-		(1)	(1)
Proceeds from Program Loans and Investments	-	-	1	1
Investment Income	82,859	(13,591)	(174,427)	(105,159)
Taxes	26,969	-	-	26,969
Other Nonoperating Revenues	2,581	4,955	261	7,797
Operating Interest Expense	-	5,350	-	5,350
Other Nonoperating Expenses	-	(3)	-	(3)
Depreciation	17,536	20,024		37,560
(Increase) Decrease in Assets:				
Accounts Receivable	(2,319)	(1,213)	9,444	5,912
Due From Other Funds	(69)	12,566	-	12,497
Due From Primary Government	-	-	-	-
Due From Component Units	-	30		30
Due From Other Governments	(62)	(917)	-	(979)
Inventory	(1,875)	7,658	-	5,783
Other Assets	(37,966)	(1,038)	-	(39,004)
Increase (Decrease) in Liabilities:				
Accounts Payable	1,040	(2,085)	20	(1,025)
Due to Other Funds	(1,533)	(1,792)	(23)	(3,348)
Due To Primary Government	-	-	-	-
Due To Component Units	73	(7)	-	66
Due to Other Governments	(261)	(41)		(302)
Deferred Revenues	397	2,241	-	2,638
Salaries Payable	266	(27)	-	239
Compensated Absences	459	1,680	-	2,139
Insurance Claims Incurred But Not Reported	2,452	3,705	-	6,157
Other Liabilities	94,703	3,501	-	98,204
Amounts Held In Custody for Others	(1)	(5,472)	-	(5,473)
Net Cash Provided by (Used In) Operating Activities	**56,434**	**63,681**	**266,546**	**386,661**
Cash Flows From Noncapital Financing Activities:				
Proceeds of Program Revenue Bonds & Other Noncapital Debt	-	-	-	-
Principal Paid on Program Revenue Bonds & Other Noncapital Debt	-	-	-	
Interest Paid on Program Revenue Bonds & Other Noncapital Debt	-	-	-	-
Grants and Donations	-	-	-	-
Operating Transfers In	4,365	11,648	545	16,558
Operating Transfers From Primary Government	-	-	-	-
Operating Transfers From Component Units	-	282	407	689
Operating Transfers Out	(22,769)	(946)	(144,898)	(168,613)
Operating Transfers To Primary Government	-	-	-	-
Operating Transfers To Component Units	-	-	-	-
Net Cash Provided By (Used In) Noncapital Financing Activities	**(18,404)**	**10,984**	**(143,946)**	**(151,366)**
Cash Flows From Capital and Related Financing Activities:				
Proceeds from Issuance of Revenue Bonds and Other Debt	-	-	-	-
Principal Payments on Revenue Bonds and Other Debt	(2,939)	(3,515)	-	(6,454)
Interest Payments on Revenue Bonds and Other Debt	(10,900)	(5,292)	-	(16,192)
Proceeds From Sale of Capital Assets	2,121	3,289	-	5,410
Casualty Insurance Proceeds	-	-		-
Payments to Acquire or Construct Capital Assets	(19,579)	(17,258)	-	(36,837)
Capital Grants And Contributions	-	-	-	-
Net Cash Provided By (Used In) Capital and Related Financing Activities	**(31,297)**	**(22,776)**	**0**	**(54,073)**

Component Units	Totals (Memorandum Only) Reporting Entity
$ 51,722	$ 382.335
(144,831)	(144,832)
128,494	128,495
(98,351)	(203,510)
-	26,969
4,154	11,951
103,513	108,863
-	(3)
3,758	41,318
2,395	8,307
-	12,497
(1)	(1)
(1,255)	(1,225)
-	(979)
122	5,905
259	(38,745)
886	(139)
-	(3,348)
(85)	(85)
1,252	1,318
22,068	21,766
(836)	1,802
(2)	237
30	2,169
-	6,157
(30)	98,174
12,752	7,279
86,014	**472,675**
327,518	327,518
(279,315)	(279,315)
(105,369)	(105,369)
32,409	32,409
-	16,558
5,719	5,719
13,388	14,077
-	(168,613)
(616)	(616)
(13,888)	(13,888)
(20,154)	**(171,520)**
11,559	11,559
(12,756)	(19,210)
(2,039)	(18,231)
-	5,410
161	161
(4,423)	(41,260)
677	677
(6,821)	**(60,894)**

Continued on next page...

COMBINED STATEMENT OF CASH FLOWS

All Proprietary Fund Types, Nonexpendable Trust Funds, and Discretely Presented Component Units

(Continued from previous page)

For the Fiscal Year Ended September 30, 2001

(Amounts in Thousands)

	PROPRIETARY			Total (Memorandum Only)
	Enterprise	Internal Service	Nonexpendable Trusts	Primary Government
Cash Flows From Investing Activities				
Purchase of Investments	(437,091)	(1,288,863)	(1,195,896)	(2,921,850)
Proceeds From Sale and Maturities of Investments	410,391	1,262,825	757,083	2,430,299
Interest and Dividends on Investments	9,541	14,623	148,255	172,419
Loan Disbursements	-	-	-	-
Loan Payments Received	-	-	-	-
Net Cash Provided By (Used In) Investing Activities	**(17,159)**	**(11,415)**	**(290,558)**	**(319,132)**
Net Increase (Decrease) In Cash and Cash Equivalents	**(10,426)**	**40,474**	**(167,958)**	**(137,910)**
Cash Balance, October 1, 2000	109,100	107,382	307,640	524,122
Restatements and Reclassifications	(1,000)	-	-	(1,000)
Cash Balance, September 30, 2001	**97,674**	**147,856**	**139,682**	**385,212**
Add: Warrants Payable	778	983	6	1,767
Less: Restricted Cash (Note 1J)	(12,155)	-	-	(12,155)
Cash and Cash Equivalents, as Reported on Balance Sheet (Note 1E)	**$ 86,297**	**$ 148,839**	**$ 139,688**	**$ 374,824**
Noncash Investing, Capital, and Financing Activities				
Increase (Decrease):				
Disposals and Write-offs of Fixed Assets	(991)	(13,551)	-	(14,542)
Transfers and Donations of Fixed Assets	69	998	1,437	2,504
Fixed Assets Acquired by Capital Lease	-	1,561		1,561
Prior Period Adjustments to Fixed Assets	(1,362)	(25)	-	(1,387)
Assets Acquired, But Will Be Paid For In Following Fiscal Year	300	725	-	1,025
Assumption of Capital Lease Obligation	-	1,561	-	1,561
Interest Accruals and Amortizations	432	8	5,764	6,204
Unrealized Gains (Losses) In Investment Fair Value	(90,012)	130	26,127	(63,755)
Investment Accruals and Other Adjustments	114	3,985	2,622	6,721
In Investments From Change in Fair Values	(90,012)	130	(21,526)	(111,408)
Investments Placed with Bond Trustee	-	-	47,653	47,653
Operating Transfer In (Out)	(68)	916	1,437	2,285
Transfers (To) From Primary Government	-	8	-	8
Revenue Bond Amortizations and Other Debt Adjustments	531	108	-	639

Reconciliations of Cash and Cash Equivalents to Combined Balance Sheet	
Cash Reported on Combined Balance Sheet for Trust and Agency Funds	$ 818,019
Less: Expendable Trusts	(393,221)
Less: Agency Funds	(284,063)
Less: Pension Funds	(1,047)
Cash and Cash Equivalents on Cash Flow Statement	**$ 139,688**
Cash Reported on Combined Balance Sheet for Component Units	
Less: Governmental Component Units	
Less: Higher Education Component Units	
Less: Fiduciary Component - Employees' Retirement System	
Less: Fiduciary Component - Teachers' Retirement System	
Less: Fiduciary Component - Crime Victim's Compensation Commission	
Cash and Cash Equivalents on Cash Flow Statement	

The Notes to the Financial Statements are an integral part of this statement

Component Units	Totals (Memorandum Only) Reporting Entity
(876,516)	(3,798,366)
872,533	3,302,832
39,637	212,056
(108,206)	(108,206)
23,855	23,855
(48,697)	**(367,829)**
10,342	**(127,568)**
87,266	611,388
969	**(31)**
98,577	483,789
11	1,778
(813)	(12,968)
$ 97,775	**$ 472,599**
-	(14,542)
250	2,754
-	1,561
3	(1,384)
-	1,025
-	1,561
(33)	6,171
45,532	(18,223)
616	7,337
45,532	(65,876)
-	47,653
-	2,285
-	8
1,647	2,286
1,265,444	
(602,421)	
(414,847)	
(50,507)	
(99,581)	
(313)	
$ 97,775	

COMBINED STATEMENT OF CHANGES IN PLAN NET ASSETS
Pension Trust Funds and Discretely Presented Component Units

For the Fiscal Year Ended September 30, 2001

(Amounts in Thousands)

		COMPONENT UNITS		
	Pension Trusts	Employees' Retirement System	Teachers' Retirement System	Totals (Memorandum Only)
ADDITIONS				
Contributions				
Employee	$ 413	$ 133,352	$ 228,088	$ 361,853
Employer	-	130,082	279,880	409,962
Total Contributions	413	263,434	507,968	771,815
Investment Income				
Investment Interest and Dividends	1,206	355,194	769,739	1,126,139
Net Increase (Decrease) in Fair Value of Investments	(1,120)	(909,687)	(1,860,162)	(2,770,969)
Securities Lending Income	-	21,389	43,671	65,060
Total Investment Income	86	(533,104)	(1,046,752)	(1,579,770)
Less:				
Investment Expense	(63)	(1,624)	(3,467)	(5,154)
Securities Lending Interest and Fees	-	(19,829)	(40,487)	(60,316)
Net Investment Income	23	(554,557)	(1,090,706)	(1,645,240)
Other Additions				
Licenses and Fees	2,501	-	-	2,501
Miscellaneous	-	92	345	437
Operating Transfers In (Notes 1F, 7)	3,781	-	-	3,781
Operating Transfers from Component Units (Notes 1F,7)	-	1,370	2,531	3,901
Total Other Additions	6,282	1,462	2,876	10,620
Total Additions	**6,718**	**(289,661)**	**(579,862)**	**(862,805)**
DEDUCTIONS				
Benefit Payments	3,596	414,211	846,391	1,264,198
Return of Contributions	60	-	-	60
Administrative Expense	300	5,308	7,129	12,737
Operating Transfers Out (Notes 1F, 7)	3,781	-	-	3,781
Operating Transfers to Primary Government (Notes 1F, 7)	-	-	32	32
Operating Transfers to Component Units (Notes 1F, 7)	-	2,695	1,206	3,901
Total Deductions	**7,737**	**422,214**	**854,758**	**1,284,709**
Net Increase (Decrease)	**(1,019)**	**(711,875)**	**(1,434,620)**	**(2,147,514)**
Fund Balance Reserved for Employees' Pension Benefits, October 1, 2000 (Note 6)	24,491	8,177,452	17,248,867	25,450,810
Restatements (Note 6A)	(7)	-	-	(7)
Fund Balance Reserved for Employees' Pension Benefits, September 30, 2001	**$ 23,465**	**$ 7,465,577**	**$ 15,814,247**	**$ 23,303,289**

The Notes to the Financial Statements are an integral part of this statement.

COMBINED STATEMENT OF CHANGES IN FUND BALANCES
Higher Education Funds

For the Fiscal Year Ended September 30, 2001

(Amounts in Thousands)

	CURRENT FUNDS				
	Unrestricted General	Unrestricted Auxiliary	Restricted	Loan Funds	Endowment and Similar Funds
REVENUES AND OTHER ADDITIONS					
Investment Income	$ 21	$ 27	$ 39	$ 2	$ (273
Educational and General	138,666	-	-	-	-
Auxiliary Enterprises	-	31,395	-	-	-
Endowment Income	-	-	126	-	118
Federal Contracts and Grants	-	-	-	-	-
State and Local Contracts and Grants	-	-	9,913	-	-
Gifts and Bequests	-	-	-	-	-
Private Grants and Contracts	-	-	620	7	175
State Appropriations	-	-	673	-	-
Interest on Loans Receivable	-	-	-	15	11
Federal Appropriations	-	-	126,315	8	-
Interest Income	-	-	1	-	-
Expended for Plant Facilities	-	-	-	-	-
Proceeds from Sale of Assets	-	-	-	-	-
Retirement of Indebtedness	-	-	-	-	-
Other Additions	-	-	9,772	-	-
Hospital	-	-	-	-	-
Total Revenues and Other Additions	**138,687**	**31,422**	**147,459**	**32**	**31**
EXPENDITURES AND OTHER DEDUCTIONS					
Educational and General	345,100	-	148,126	2	5
Hospital	-	-	-	-	-
Auxiliary Enterprises	-	32,560	65	-	-
Indirect Cost Recovered	-	-	-	-	-
Refunded to Grantors	-	-	78	30	-
Loan Cancellations and Write-offs	-	-	-	17	-
Administrative and Collection Costs	-	-	132	15	8
Expended for Plant Facilities	-	-	-	-	-
Retirement of Indebtedness	-	-	-	-	-
Interest on Indebtedness	-	-	-	-	-
Reduction of Plant Facilities and Equipment	-	-	-	-	-
Other Deductions	-	-	217	1	34
Depreciation Expense	-	-	-	-	-
Total Expenditures and Other Deductions	**345,100**	**32,560**	**148,618**	**65**	**47**
TRANSFERS AMONG FUNDS					
Operating Transfers In (Notes 1F, 7)	243,635	-	-	-	-
Operating Transfers from Primary Government (Notes 1F, 7)	-	-	-	-	-
Mandatory - Principal and Interest	(9,865)	(85)	-	-	-
Mandatory - Other	(3,683)	(5)	1	-	20
Non-Mandatory	(21,484)	3,208	(7)	-	(12)
Total Transfers Among Funds	**208,603**	**3,118**	**(6)**	**0**	**8**
Net Increase (Decrease) for the Year	**2,190**	**1,980**	**(1,165)**	**(33)**	**(8)**
Fund Balances, October 1, 2000 (Note 6)	41,245	14,686	3,936	402	8,084
Restatements (Note 6A)	(289)	(31)	50	190	72
Fund Balances, September 30, 2001	**$ 43,146**	**$ 16,635**	**$ 2,821**	**$ 559**	**$ 8,148**

The Notes to the Financial Statements are an integral part of this statement.

PLANT FUNDS				Totals (Memorandum Only)		Totals (Memorandum Only)
Unexpended	Renewals and Replacements	Retirement of Indebtedness	Investment in Plant	Primary Government	Component Units	Reporting Entity
$ -	$ -	$ 447	$ -	$ 263	$ (22,698	$ (22,435
302	698	10	-	139,676	828,080	967,756
-	-	-	-	31,395	208,653	240,048
-	-	-	-	244	(34,506)	(34,262)
-	35	-	-	35	562,666	562,701
-	-	-	-	9,913	54,727	64,640
-	-	-	-	-	93,192	93,192
1,520	413	25	-	2,760	64,721	67,481
-	-	-	-	673	3,850	4,523
-	-	-	-	26	1,183	1,209
506	-	93	-	126,922	2,963	129,885
148	-	17	-	166	17,175	17,341
638	1,024	174	29,741	31,577	221,490	253,067
-	-	-	-	-	6	6
-	-	280	5,599	5,879	45,286	51,165
3,306	9,123	104	2,704	25,009	24,974	49,983
-	-	-	-	-	915,153	915,153
6,420	**11,293**	**1,150**	**38,044**	**374,538**	**2,986,915**	**3,361,453**
-	-	-	-	493,233	2,151,149	2,644,382
-	-	-	-	-	826,308	826,308
-	-	-	-	32,625	207,378	240,003
-	-	-	-	-	88,041	88,041
-	-	-	-	108	589	697
-	-	-	-	17	1,043	1,060
1,094	810	304	-	2,363	465	2,828
10,788	12,043	16	28,685	51,532	160,103	211,635
103	-	5,334	-	5,437	39,498	44,935
113	-	5,673	-	5,786	55,124	60,910
-	-	-	57,053	57,053	14,278	71,331
1,066	3,070	1,085	15,368	20,841	38,406	59,247
-	-	-	-	-	129,252	129,252
13,164	**15,923**	**12,412**	**101,106**	**668,995**	**3,711,634**	**4,380,629**
-	-	-	-	243,635	-	243,635
-	-	-	-	-	833,427	833,427
(730)	6	10,323	-	(351)	-	(351)
-	3,662	5	-	-	-	-
18,084	1,130	120	(688)	351	-	351
17,354	**4,798**	**10,448**	**(688)**	**243,635**	**833,427**	**1,077,062**
10,610	**168**	**(814)**	**(63,750)**	**(50,822)**	**108,708**	**57,886**
26,880	9,602	10,341	585,708	700,884	3,809,379	4,510,263
134	10	(42)	(5,295)	(5,201)	3,333	(1,868)
$ 37,624	**$ 9,780**	**$ 9,485**	**$ 516,663**	**$ 644,861**	**$ 3,921,420**	**$ 4,566,281**

COMBINED STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES, AND OTHER CHANGES
Higher Education Funds
For the Fiscal Year Ended September 30, 2001

(Amounts in Thousands)

REVENUES AND OTHER ADDITIONS	Unrestricted	Restricted	Totals (Memorandum Only) Primary Government	Component Units	Totals (Memorandum Only) Reporting Entity
Educational and General					
Tuition and Fees	$ 102,565	$ 1	$ 102,566	$ 508,044	$ 610,610
State Appropriations	1,455	850	2,305	323	2,628
Federal Appropriations, Grants, and Contracts	314	133,109	133,423	510,535	643,958
State Grants and Contracts	8,035	10,264	18,299	38,848	57,147
Private Gifts, Grants, and Contracts	526	1,158	1,684	139,832	141,516
Indirect Cost Recovery	1,767	5	1,772	56,242	58,014
Endowment Income	77	78	155	26,322	26,477
Sales and Services of Educational Activities	1,592	-	1,592	109,323	110,915
Investment Income	3,351	22	3,373	49,173	52,546
Other Income	19,209	2,244	21,453	41,726	63,179
Total Educational and General	**138,891**	**147,731**	**286,622**	**1,480,368**	**1,766,990**
Auxiliary and Hospital Enterprises					
Hospital - Sales and Services	-	-	-	880,393	880,393
- State Appropriations	-	-	-	640	640
Auxiliary - Student and Residence Hall Fees	1,484	-	1,484	20,160	21,644
- Sales and Services - Operations	27,155	7	27,162	186,934	214,096
- State Appropriations	-	-	-	11	11
- Other Sources	2,782	12	2,794	47,257	50,051
Total Auxiliary and Hospital Enterprises	**31,421**	**19**	**31,440**	**1,135,395**	**1,166,835**
TOTAL REVENUES	**170,312**	**147,750**	**318,062**	**2,615,763**	**2,933,825**
EXPENDITURES AND TRANSFERS					
Educational and General					
Instruction	24,736	21,418	46,154	702,730	748,884
Research	-	2,119	2,119	368,758	370,877
Public Service	1,166	4,979	6,145	253,299	259,444
Academic Support	27,202	3,948	31,150	159,523	190,673
Student Services	27,987	20,969	48,956	111,539	160,495
Institutional Support	54,813	5,027	59,840	184,470	244,310
Operation and Maintenance of Plant	38,174	1,446	39,620	123,998	163,618
Scholarships, Financial Aid, and Fellowships	20,605	88,305	108,910	234,983	343,893
Other	150,414	2	150,416	33,368	183,784
Total Educational and General Expenditures	**345,097**	**148,213**	**493,310**	**2,172,668**	**2,665,978**
Transfers:					
Mandatory Transfers	-	-	-	33,698	33,698
Nonmandatory Transfers	35,032	-	35,032	6,897	41,929
Total Educational and General Transfers	**35,032**	**-**	**35,032**	**40,595**	**75,627**
Auxiliary and Hospital Enterprises					
Hospital Expenditures	-	-	-	835,686	835,686
Auxiliary Expenditures	32,560	109	32,669	211,195	243,864
Auxiliary Mandatory Transfers	-	-	-	26,463	26,463
Nonmandatory Transfers	(3,118)	6	(3,112)	6,097	2,985
Total Auxiliary and Hospital Enterprises	**29,442**	**115**	**29,557**	**1,079,441**	**1,108,998**
TOTAL EXPENDITURES AND TRANSFERS	**409,571**	**148,328**	**557,899**	**3,292,704**	**3,850,603**
OTHER CHANGES					
Excess of Receipts over Transfers of Revenue	-	(679)	(679)	1,545	866
Operating Transfers In	243,429	207	243,636	-	243,636
Transfers In from Primary Government	-	-	-	833,427	833,427
Plant Funds	-	-	-	(17,686)	(17,686)
Other	-	(115)	(115)	(100,824)	(100,939)
TOTAL OTHER CHANGES	**243,429**	**(587)**	**242,842**	**716,462**	**959,304**
Net Increase (Decrease) In Fund Balances	**$ 4,170**	**$ (1,165)**	**$ 3,005**	**$ 39,521**	**$ 42,526**

The Notes to the Financial Statements are an integral part of this statement.

COMBINING BALANCE SHEET
Discretely Presented Component Units

September 30, 2001
(Amounts in Thousands)

	Governmental Funds	Proprietary Funds	Fiduciary Funds	Higher Education	Totals
ASSETS AND OTHER DEBITS					
Cash and Cash Equivalents (Notes 1E, 3)	$ 602,421	$ 97,775	$ 150,401	$ 414,847	$ 1,265,444
Investments (Notes 1I, 3)	35,274	1,402,996	23,570,358	1,876,115	26,884,743
Accounts Receivable (Note 1G)	-	582	-	370,100	370,682
Taxes Receivable (Note 1G)	2,495	-	-	-	2,495
Interest and Dividends Receivable (Note 1G)	-	14,578	294,209	10,733	319,520
Mortgages, Notes, and Loans Receivable (Note 1G)	9	355,025	-	35,356	390,390
Employer Contributions Receivable	-	-	30,502	-	30,502
Member Contributions Receivable	-	-	26,863	-	26,863
Due from Primary Government (Notes 1F, 7)	14,981	1	9	-	14,991
Due from Component Units (Notes 1F, 7)	-	1,255	11	35,077	36,343
Due from Other Governments (Note 1G)	3,988	618,136	-	-	622,124
Inventory (Note 1H)	2,569	662	-	28,118	31,349
Restricted Assets (Note 1J)	-	2,090	-	-	2,090
Securities Lending Collateral (Note 3C)	-	-	771,944	-	771,944
Other Assets	796	23,299	-	187,254	211,349
Fixed Assets (Net of Accumulated Depreciation) (Note 4)	273,259	49,743	5,466	2,687,117	3,015,585
Amount Available in Debt Service Fund	75,272	-	-	-	75,272
Amount to be Provided for General Long-term Obligations	1,591,653	-	141	-	1,591,794
TOTAL ASSETS AND OTHER DEBITS	**$ 2,602,717**	**$ 2,566,142**	**$ 24,849,904**	**$ 5,644,717**	**$ 35,663,480**
LIABILITIES, EQUITY, AND OTHER CREDITS					
Liabilities					
Warrants Payable	$ 7,316	$ 11	$ 31,779	$ -	$ 39,106
Accounts Payable	26,441	2,346	644	130,549	159,980
Salaries Payable	8,753	5	722	1,343	10,823
Interest Payable	-	31,771	-	2,993	34,764
Due to Primary Government (Notes 1F, 7)	1,136	11	49	-	1,196
Due to Component Units (Notes 1F, 7)	-	1,255	11	35,077	36,343
Due to Other Governments	691	112,438	-	-	113,129
Deferred Revenue	-	13,888	241	260,870	274,999
Amounts Held in Custody for Others	1,719	110,153	1	8,917	120,790
Securities Lending Obligation (Note 3C)	-	-	771,944	-	771,944
Compensated Absences (Note 1L)	19,116	142	2,243	61,714	83,215
Other Liabilities	2,297	10,560	3,117	78,151	94,125
Notes and Mortgages Payable (Note 5)	-	10,303	-	22,911	33,214
Revenue Bonds Payable (Note 5)	1,646,880	1,837,375	-	1,070,460	4,554,715
Capital Lease Obligations (Note 5)	-	350	-	50,312	50,662
Total Liabilities	**1,714,349**	**2,130,608**	**810,751**	**1,723,297**	**6,379,005**
Equity and Other Credits					
Investment in Fixed Assets	273,259	-	268	595,418	868,945
Contributed Capital (Note 6B)	-	25,153	-	1,500	26,653
Retained Earnings, Reserved (Note 6C)	-	81,326	-	-	81,326
Retained Earnings, Unreserved	-	329,055	-	-	329,055
Fund Balances:					
Reserved for Encumbrances	4,709	-	6	409	5,124
Reserved for Inventory (Note 1H)	2,569	-	-	-	2,569
Reserved for Specific Purposes (Note 6C)	-	-	10,807	1,123,537	1,134,344
Unreserved, Undesignated	521,554	-	748,011	1,979,077	3,248,642
Unreserved, Designated (Note 6C)	86,277	-	237	221,479	307,993
Reserved for Employees' Pension Benefits (Note 9)	-	-	23,279,824	-	23,279,824
Total Equity and Other Credits (Note 1N)	**888,368**	**435,534**	**24,039,153**	**3,921,420**	**29,284,475**
TOTAL LIABILITIES, EQUITY, & OTHER CREDITS	**$ 2,602,717**	**$ 2,566,142**	**$ 24,849,904**	**$ 5,644,717**	**$ 35,663,480**

The Notes to the Financial Statements are an integral part of this statement.

COMBINING BALANCE SHEET
Governmental Funds - Discretely Presented Component Units

September 30, 2001
(Amounts in Thousands)

	Mental Health	Public School and College Authority	State Industrial Development Authority	Historical Commission
ASSETS AND OTHER DEBITS				
Cash and Cash Equivalents (Notes 1E, 3)	$ 51,641	$ 437,429	$ 2,116	$ 2,316
Investments (Notes 1I, 3)	7,148	27,591	-	535
Taxes Receivable (Note 1G)	2,495	-	-	-
Mortgages, Notes, and Loans Receivable (Note 1G)	9	-	-	-
Due from Primary Government (Notes 1F, 7)	14,734	-	-	163
Due from Other Governments (Note 1G)	3,988	-	-	-
Inventory (Note 1H)	2,492	-	-	77
Other Assets	-	-	-	-
Fixed Assets (Note 4)	197,861	-	-	69,156
Amount Available in Debt Service Fund	15,652	36,484	553	-
Amount to be Provided for General Long-term Obligations	57,096	1,304,672	21,247	406
TOTAL ASSETS AND OTHER DEBITS	**$ 353,116**	**$ 1,806,176**	**$ 23,916**	**$ 72,653**
LIABILITIES, FUND BALANCES, AND OTHER CREDITS				
Liabilities				
Warrants Payable	$ 3,738	$ 889	$ -	$ 43
Accounts Payable	23,741	844	-	369
Salaries Payable	8,532	-	-	214
Due to Primary Government (Notes 1F, 7)	584	-	-	52
Due to Other Governments	618	-	-	54
Amounts Held in Custody for Others	1,719	-	-	-
Compensated Absences (Note 1L)	18,700	-	-	406
Other Liabilities	-	1,501	-	-
Revenue Bonds Payable (Note 5)	54,620	1,339,655	21,800	-
Total Liabilities	**112,252**	**1,342,889**	**21,800**	**1,138**
Fund Balances and Other Credits				
Investment in Fixed Assets	197,861	-	-	69,156
Reserved for Encumbrances	4,400	-	32	160
Reserved for Inventory (Note 1H)	2,492	-	-	77
Unreserved, Undesignated	15,382	426,803	1,531	2,122
Unreserved, Designated (Note 6C)	20,729	36,484	553	-
Total Fund Balances and Other Credits (Note 1N)	**240,864**	**463,287**	**2,116**	**71,515**
TOTAL LIABILITIES, FUND BALANCES, AND OTHER CREDITS	**$ 353,116**	**$ 1,806,176**	**$ 23,916**	**$ 72,653**

The Notes to the Financial Statements are an integral part of this statement.

Tennessee Valley Exhibit Commission	Incentives Finance Authority	Revolving Loan Authority	Twenty-first Century Authority	Other Governmental Funds	Totals
$ 500	$ 53,015	$ -	$ 49,363	$ 6,041	$ 602,421
-	-	-	-	-	35,274
-	-	-	-	-	2,495
-	-	-	-	-	9
46	-	-	-	38	14,981
-	-	-	-	-	3,988
-	-	-	-	-	2,569
-	796	-	-	-	796
5,409	-	-	-	833	273,259
500	14,660	-	7,423	-	75,272
2,418	151,475	11,755	42,577	7	1,591,653
$ 8,873	**$ 219,946**	**$ 11,755**	**$ 99,363**	**$ 6,919**	**$ 2,602,717**
$ -	$ 15	$ -	$ 2,603	$ 28	$ 7,316
46	46	-	1,354	41	26,441
-	-	-	-	7	8,753
-	-	-	500	-	1,136
-	-	-	-	19	691
-	-	-	-	-	1,719
3	-	-	-	7	19,116
-	-	-	796	-	2,297
2,915	166,135	11,755	50,000	-	1,646,880
2,964	**166,196**	**11,755**	**55,253**	**102**	**1,714,349**
5,409	-	-	-	833	273,259
-	117	-	-	-	4,709
-	-	-	-	-	2,569
-	38,973	-	36,687	56	521,554
500	14,660	-	7,423	5,928	86,277
5,909	**53,750**	**0**	**44,110**	**6,817**	**888,368**
$ 8,873	**$ 219,946**	**$ 11,755**	**$ 99,363**	**$ 6,919**	**$ 2,602,717**

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Governmental Funds and Expendable Trust Funds - Discretely Presented Component Units

For the Fiscal Year Ended September 30, 2001

(Amounts in Thousands)

	Mental Health	Public School and College Authority	State Industrial Development Authority	Historical Commission
REVENUES				
Taxes	$ 132,445	$ 102,155	$ 3,721	$ -
Licenses, Permits, and Fees	128	-	217	2
Fines, Forfeits, and Court Settlements	-	-	-	-
Investment Income	1,005	25,172	82	104
Federal Grants and Reimbursements	43,257	-	-	940
Other Revenues	207,801	-	48	1,663
Total Revenues	**384,636**	**127,327**	**4,068**	**2,709**
EXPENDITURES				
Current:				
Education and Cultural Resources	-	-	-	8,211
Natural Resources and Recreation	-	-	-	-
Health - Physical and Mental	475,588	-	-	-
General Government	-	-	52	-
Capital Outlay	2,038	255,114	4,819	-
Debt Service - Principal Retirement	4,645	53,910	2,525	-
Debt Service - Interest and Other Charges	3,064	68,825	1,212	-
Total Expenditures	**485,335**	**377,849**	**8,608**	**8,211**
Revenues Over (Under) Expenditures	**(100,699)**	**(250,522)**	**(4,540)**	**(5,502)**
OTHER FINANCING SOURCES (USES)				
Operating Transfers from Primary Government (Notes 1F, 7)	108,837	20,268	-	4,984
Operating Transfers from Component Units (Notes 1F, 7)	121,512	15,731	18	500
Operating Transfers to Primary Government (Notes 1F, 7)	(737)	(7,111)	(282)	(16)
Operating Transfers to Component Units (Notes 1F, 7)	(121,512)	(15,731)	(18)	-
Bond Proceeds	-	94,576	4,926	-
Total Other Financing Sources (Uses)	**108,100**	**107,733**	**4,644**	**5,468**
Revenues and Other Sources Over (Under) Expenditures and Other Uses	**7,401**	**(142,789)**	**104**	**(34)**
Fund Balances, October 1, 2000 (Note 6)	32,827	606,076	2,016	1,591
Restatements (Note 6A)	2,937	-	(4)	770
Increase (Decrease) in Reserve for Inventory (Note 1H)	(162)	-	-	32
Fund Balances, September 30, 2001	**$ 43,003**	**$ 463,287**	**$ 2,116**	**$ 2,359**

The Notes to the Financial Statements are an integral part of this statement.

					EXPENDABLE TRUSTS		
Tennessee Valley Exhibit Commission	Incentives Finance Authority	Revolving Loan Authority	Twenty-first Century Authority	Other Governmental Funds	Employees' Retirement System	Crime Victims Compensation Commission	Totals
$ 499	$ 14,516	$ 1,217	$ -	$ -	$ -	$ -	$ 254,553
-	-	-	-	-	-	3,812	4,159
-	-	-	103,077	-	-	-	103,077
-	2,265	-	1,159	-	60,424	506	90,717
-	-	-	-	86	-	1,894	46,177
101	-	-	27	-	43,107	2	252,749
600	**16,781**	**1,217**	**104,263**	**86**	**103,531**	**6,214**	**751,432**
-	-	-	-	130	-	-	8,341
213	-	-	-	316	-	-	529
-	-	-	-	-	-	-	475,588
-	-	-	-	-	18,860	5,246	24,158
-	2,092	-	10,558	-	-	-	274,621
295	1,950	245	-	-	-	-	63,570
207	9,029	972	2,142	12	-	-	85,463
715	**13,071**	**1,217**	**12,700**	**458**	**18,860**	**5,246**	**932,270**
(115)	**3,710**	**0**	**91,563**	**(372)**	**84,671**	**968**	**(180,838)**
113	-	-	-	386	-	-	134,588
-	327	-	18,022	-	-	-	156,110
-	-	-	(118,527)	-	-	(2)	(126,675)
-	(327)	-	(18,022)	-	-	-	(155,610)
-	-	-	-	5,940	-	-	105,442
113	**0**	**0**	**(118,527)**	**6,326**	**0**	**(2)**	**113,855**
(2)	**3,710**	**0**	**(26,964)**	**5,954**	**84,671**	**966**	**(66,983)**
502	44,118	-	71,074	30	658,540	3,840	1,420,614
-	5,922	-	-	-	-	-	9,625
-	-	-	-	-	-	-	(130)
$ 500	**$ 53,750**	**$ 0**	**$ 44,110**	**$ 5,984**	**$ 743,211**	**$ 4,806**	**$ 1,363,126**

COMBINING BALANCE SHEET
Proprietary Funds - Discretely Presented Component Units

September 30, 2001
(Amounts in Thousands)

	Housing Finance Authority	Higher Education Loan Corporation	Water Pollution Control Authority	Space Science Exhibit Commission	Supercomputer Authority
ASSETS					
Cash and Cash Equivalents (Notes 1E, 3)	$ 2,192	$ 12,892	$ 65,163	$ 1,297	$ 1,776
Investments (Notes 1I, 3)	1,096,887	25,167	245,106	-	-
Accounts Receivable (Note 1G)	-	-	288	294	-
Interest and Dividends Receivable (Note 1G)	9,207	905	3,861	-	-
Mortgages, Notes, and Loans Receivable (Note 1G)	311,926	43,099	-	-	-
Due from Primary Government (Notes 1F, 7)	-	-	-	-	1
Due from Component Units (Notes 1F, 7)	-	-	139	-	-
Due from Other Governments (Note 1G)	-	-	536,302	-	-
Inventory (Note 1H)	-	-	-	391	-
Restricted Assets (Note 1J)	-	-	-	2,090	-
Other Assets	11,662	621	7,923	742	-
Fixed Assets (Net of Accumulated Depreciation) (Note 4)	-	-	442	38,059	940
TOTAL ASSETS	**$ 1,431,874**	**$ 82,684**	**$ 859,224**	**$ 42,873**	**$ 2,717**
LIABILITIES AND FUND EQUITY					
Liabilities					
Warrants Payable	$ -	$ -	$ 3	$ -	$ 8
Accounts Payable	248	136	404	817	644
Salaries Payable	-	-	-	-	-
Interest Payable	26,949	247	3,927	173	-
Due to Primary Government (Notes 1F, 7)	-	-	-	-	1
Due to Component Units (Notes 1F, 7)	-	-	1,255	-	-
Due to Other Governments	-	-	91,030	-	6
Deferred Revenue	11,717	-	1,121	1,050	-
Amounts Held in Custody for Others	110,153	-	-	-	-
Compensated Absences (Note 1L)	-	-	-	-	118
Other Liabilities	-	7,007	2,428	583	-
Notes and Mortgages Payable (Note 5)	2,200	-	-	6,428	-
Revenue Bonds Payable (Note 5)	1,112,706	64,154	571,132	17,378	-
Capital Lease Obligations (Note 5)	-	-	-	350	-
Total Liabilities	**1,263,973**	**71,544**	**671,300**	**26,779**	**777**
Fund Equity					
Contributed Capital (Note 6B)	6,500	-	-	17,289	174
Retained Earnings, Reserved (Note 6C)	81,326	-	-	-	-
Retained Earnings, Unreserved	80,075	11,140	187,924	(1,195)	1,766
Total Fund Equity (Note 1N)	**167,901**	**11,140**	**187,924**	**16,094**	**1,940**
TOTAL LIABILITIES AND FUND EQUITY	**$ 1,431,874**	**$ 82,684**	**$ 859,224**	**$ 42,873**	**$ 2,717**

The Notes to the Financial Statements are an integral part of this statement.

U.S.S. Alabama Battleship Commission	Historic Ironworks Commission	Music Hall of Fame	Drinking Water Finance Authority	Totals
$ 1,724	$ 340	$ 71	$ 12,320	$ 97,775
529	-	34	35,273	1,402,996
-	-	-	-	582
-	-	-	605	14,578
-	-	-	-	355,025
-	-	-	-	1
-	-	-	1,116	1,255
-	-	-	81,834	618,136
205	21	45	-	662
-	-	-	-	2,090
10	-	-	2,341	23,299
6,056	2,826	1,420	-	49,743
$ 8,524	**$ 3,187**	**$ 1,570**	**$ 133,489**	**$ 2,566,142**
$ -	$ -	$ -	$ -	$ 11
36	28	2	31	2,346
-	5	-	-	5
-	-	-	475	31,771
-	-	-	10	11
-	-	-	-	1,255
6	-	-	21,396	112,438
-	-	-	-	13,888
-	-	-	-	110,153
-	-	24	-	142
-	-	-	542	10,560
1,604	-	71	-	10,303
-	65	-	71,940	1,837,375
-	-	-	-	350
1,646	**98**	**97**	**94,394**	**2,130,608**
-	-	1,190	-	25,153
-	-	-	-	81,326
6,878	3,089	283	39,095	329,055
6,878	**3,089**	**1,473**	**39,095**	**435,534**
$ 8,524	**$ 3,187**	**$ 1,570**	**$ 133,489**	**$ 2,566,142**

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND EQUITY
Proprietary Fund Types and Nonexpendable Trust Funds - Discretely Presented Component Units

For the Fiscal Year Ended September 30, 2001

(Amounts in Thousands)

	Housing Finance Authority	Higher Education Loan Corporation	Water Pollution Control Authority	Space Science Exhibit Commission	Supercomputer Authority
OPERATING REVENUES					
Charges for Goods and Services	$ 2,054	$ -	$ -	$ 23,317	$ 1,310
Investment Income	106,311	1,887	22,349	-	-
Rents and Leases	-	-	-	291	9
Interest from Mortgages and Loans Receivable	26,866	4,587	21,381	-	-
Total Operating Revenues	**135,231**	**6,474**	**43,730**	**23,608**	**1,319**
OPERATING EXPENSES					
Salaries, Wages, and Benefits	-	-	1,505	-	414
Utilities and Communications	-	-	-	-	54
Professional Services	-	-	73	-	4,794
Supplies, Materials, and Operating Expenses	17,388	1,159	3,294	23,824	13
Interest	63,200	3,808	33,074	143	-
Depreciation	69	-	132	2,914	132
Other	338	1,415	1,599	-	113
Total Operating Expenses	**80,995**	**6,382**	**39,677**	**26,881**	**5,520**
Operating Income (Loss)	**54,236**	**92**	**4,053**	**(3,273)**	**(4,201)**
NONOPERATING REVENUES (EXPENSES)					
Investment Income	-	-	-	337	-
Other Nonoperating Revenues	-	-	23,482	707	-
Interest Expense	-	-	-	(1,706)	-
Total Nonoperating Revenues (Expenses)	**0**	**0**	**23,482**	**(662)**	**0**
Income (Loss) Before Operating Transfers	**54,236**	**92**	**27,535**	**(3,935)**	**(4,201)**
TRANSFERS					
Operating Transfers from Primary Government (Notes 1F,7)	-	-	725	375	3,851
Operating Transfers from Component Units (Notes 1F,7)	-	-	479	-	-
Operating Transfers to Primary Government (Notes 1F, 7)	-	-	(606)	-	-
Operating Transfers to Component Units (Notes 1F, 7)	-	-	(12,909)	-	-
Total Transfers	**0**	**0**	**(12,311)**	**375**	**3,851**
Net Income (Loss) Before Extraordinary Items	**54,236**	**92**	**15,224**	**(3,560)**	**(350)**
Extraordinary Income (Loss)	(705)	-	-	-	-
Net Income (Loss)	**53,531**	**92**	**15,224**	**(3,560)**	**(350)**
Fund Equity, October 1, 2000 (Note 6)	114,370	11,048	173,139	19,654	2,287
Restatements (Note 6A)	-	-	(439)	-	3
Fund Equity, September 30, 2001	**$ 167,901**	**$ 11,140**	**$ 187,924**	**$ 16,094**	**$ 1,940**

The Notes to the Financial Statements are an integral part of this statement.

				FIDUCIARY FUNDS		
U.S.S. Alabama Battleship Commission	Historic Ironworks Commission	Music Hall of Fame	Drinking Water Finance Authority	Historical Commission	Alabama Education Foundation Authority	Totals
$ 3,191	$ 1,077	$ 80	$ -	$ -	$ -	$ 31,029
-	-	-	3,021	844	22	134,434
-	-	12	-	-	-	312
-	-	-	2,589	-	-	55,423
3,191	**1,077**	**92**	**5,610**	**844**	**22**	**221,198**
1,280	942	342	32	-	-	4,515
273	196	53	-	-	-	576
571	102	52	-	-	-	5,592
792	105	35	315	-	-	46,925
-	-	6	3,777	-	-	104,008
144	225	142	-	-	-	3,758
-	68	28	541	-	-	4,102
3,060	**1,638**	**658**	**4,665**	**0**	**0**	**169,476**
131	**(561)**	**(566)**	**945**	**844**	**22**	**51,722**
73	7	3	-	-	-	420
661	88	63	12,985	-	101	38,087
(23)	(5)	-	-	-	-	(1,734)
711	**90**	**66**	**12,985**	**0**	**101**	**36,773**
842	**(471)**	**(500)**	**13,930**	**844**	**123**	**88,495**
-	386	382	-	-	-	5,719
-	-	-	12,909	-	-	13,388
-	-	-	(10)	-	-	(616)
-	-	-	(479)	(500)	-	(13,888)
0	**386**	**382**	**12,420**	**(500)**	**0**	**4,603**
842	**(85)**	**(118)**	**26,350**	**344**	**123**	**93,098**
-	-	-	-	-	-	(705)
842	**(85)**	**(118)**	**26,350**	**344**	**123**	**92,393**
6,036	3,174	1,591	12,745	10,297	180	354,521
-	-	-	-	-	100	(336)
$ 6,878	**$ 3,089**	**$ 1,473**	**$ 39,095**	**$ 10,641**	**$ 403**	**$ 446,578**

COMBINING STATEMENT OF CASH FLOWS
Proprietary Funds and Nonexpendable Trust Funds - Discretely Presented Component Units

For the Fiscal Year Ended September 30, 2001
(Amounts in Thousands)

	PROPRIETARY FUNDS				
	Housing Finance Authority	Higher Education Loan Corporation	Water Pollution Control Authority	Space Science Exhibit Commission	Super-computer Authority
Cash Flows From Operating Activities					
Operating Income (Loss)	$ 54,236	$ 92	$ 4,053	$ (3,273)	$ (4,201)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Purchase of Program Loans and Investments	(143,662)	(1,169)	-	-	-
Proceeds from Program Loans and Investments	116,532	11,962	-	-	-
Investment Income	(70,451)	(1,664)	(22,349)	-	-
Other Nonoperating Revenues	-	-	3,234	280	-
Operating Interest Expense	63,681	3,803	32,053	-	-
Depreciation	69	-	132	2,914	132
(Increase) Decrease in Assets:					
Accounts Receivable	-	-	1,919	476	-
Due From Primary Government	-	-	-	-	(1)
Due From Component Units	-	-	(139)	-	-
Inventory	-	-	-	105	-
Other Assets	(131)	(2)	-	393	-
Increase (Decrease) in Liabilities:					
Accounts Payable	-	1,287	144	(657)	286
Due To Primary Government	-	-	(82)	-	-
Due To Component Units	-	-	1,255	-	(3)
Due to Other Governments	-	-	20,002	-	(2)
Deferred Revenues	(621)	-	-	(215)	-
Salaries Payable	-	-	-	-	-
Compensated Absences	-	-	-	-	6
Other Liabilities	(46)	16	-	-	-
Amounts Held In Custody for Others	12,913	-	-	-	-
Net Cash Provided by (Used In) Operating Activities	**32,520**	**14,325**	**40,222**	**23**	**(3,783)**
Cash Flows From Noncapital Financing Activities:					
Proceeds of Program Revenue Bonds & Other Noncapital Debt	223,555	-	61,986	16,341	-
Principal Paid on Program Revenue Bonds & Other Noncapital Debt	(229,864)	(10,750)	(20,995)	(14,691)	-
Interest Paid on Program Revenue Bonds & Other Noncapital Debt	(64,336)	(3,791)	(32,567)	(319)	-
Grants and Donations	-	-	19,712	-	-
Operating Transfers From Primary Government	-	-	725	375	3,851
Operating Transfers From Component Units	-	-	479	-	-
Operating Transfers To Primary Government	-	-	(606)	-	-
Operating Transfers To Component Units	-	-	(12,909)	-	-
Net Cash Provided By (Used In) Noncapital Financing Activities	**(70,645)**	**(14,541)**	**15,825**	**1,706**	**3,851**

			NONEXPENDABLE TRUSTS			
U.S.S. Alabama Battleship Commission	Historic Ironworks Commission	Music Hall of Fame	Drinking Water Finance Authority	Historical Commission	Alabama Education Foundation Authority	Total
$ 131	$ (561)	$ (566)	$ 945	$ 844	$ 22	$ 51,722
-	-	-	-	-	-	(144,831)
-	-	-	-	-	-	128,494
-	-	-	(3,021)	(844)	(22)	(98,351)
-	11	63	365	-	201	4,154
-	-	-	3,976	-	-	103,513
144	225	142	-	-	-	3,758
-	-	-	-	-	-	2,395
-	-	-	-	-	-	(1)
-	-	-	(1,116)	-	-	(1,255)
23	7	(13)	-	-	-	122
(1)	-	-	-	-	-	259
-	(168)	-	(6)	-	-	886
-	-	-	(3)	-	-	(85)
-	-	-	-	-	-	1,252
-	-	-	2,068	-	-	22,068
-	-	-	-	-	-	(836)
-	(2)	-	-	-	-	(2)
-	-	24	-	-	-	30
-	-	-	-	-	-	(30)
(161)	-	-	-	-	-	12,752
136	**(488)**	**(350)**	**3,208**	**0**	**201**	**86,014**
-	-	-	25,636	-	-	327,518
-	-	-	(3,015)	-	-	(279,315)
-	-	-	(4,356)	-	-	(105,369)
-	77	-	12,620	-	-	32,409
-	386	382	-	-	-	5,719
-	-	-	12,909	-	-	13,388
-	-	-	(10)	-	-	(616)
-	-	-	(479)	(500)	-	(13,888)
0	**463**	**382**	**43,305**	**(500)**	**0**	**(20,154)**

Continued on next page...

COMBINING STATEMENT OF CASH FLOWS

Proprietary Funds and Nonexpendable Trust Funds - Discretely Presented Component Units

(Continued from previous page)

For the Fiscal Year Ended September 30, 2001

(Amounts in Thousands)

	PROPRIETARY FUNDS				
	Housing Finance Authority	Higher Education Loan Corporation	Water Pollution Control Authority	Space Science Exhibit Commission	Super-computer Authority
Cash Flows From Capital and Related Financing Activities:					
Proceeds from Issuance of Revenue Bonds and Other Debt	-	-	-	9,955	-
Principal Payments on Revenue Bonds and Other Debt	-	-	-	(12,725)	-
Interest Payments on Revenue Bonds and Other Debt	-	-	-	(2,011)	-
Casualty Insurance Proceeds	-	-	-	-	-
Payments to Acquire or Construct Capital Assets	(40)	-	(125)	(1,614)	-
Capital Grants And Contributions	-	-	-	177	-
Net Cash Provided By (Used In) Capital and Related Financing Activities	**(40)**	**0**	**(125)**	**(6,218)**	**0**
Cash Flows From Investing Activities					
Purchase of Investments (Note 1I)	(735,622)	(6,049)	(68,230)	-	-
Proceeds From Sale and Maturities of Investments	756,131	6,504	54,136	-	-
Interest and Dividends on Investments	19,613	2,182	14,973	337	-
Loan Disbursements	-	-	(75,901)	-	-
Loan Payments Received	-	-	21,885	-	-
Net Cash Provided By (Used In) Investing Activities	**40,122**	**2,637**	**(53,137)**	**337**	**0**
Net Increase (Decrease) In Cash and Cash Equivalents	**1,957**	**2,421**	**2,785**	**(4,152)**	**68**
Cash Balance, October 1, 2000	235	10,471	62,375	5,293	1,700
Restatements and Reclassifications	-	-	-	969	-
Cash Balance, September 30, 2001	**2,192**	**12,892**	**65,160**	**2,110**	**1,768**
Add: Warrants Payable	-	-	3	-	8
Less: Restricted Cash (Note 1J)	-	-	-	(813)	-
Cash and Cash Equivalents, as Reported on Balance Sheet (Note 1E)	**$ 2,192**	**$ 12,892**	**$ 65,163**	**$ 1,297**	**$ 1,776**
Noncash Investing, Capital, and Financing Activities					
Increase (Decrease):					
Transfers and Donations of Fixed Assets	-	-	-	250	-
Prior Period Adjustments to Fixed Assets	-	-	-	-	3
Interest Accruals and Amortizations	-	-	-	(48)	-
Unrealized Gains (Losses) In Investment Fair Value	40,919	-	4,281	-	-
Investment Accruals and Other Adjustments	601	-	-	-	-
In Investments From Change in Fair Values	40,919	-	4,281	-	-
Revenue Bond Amortizations and Other Debt Adjustments	1,252	-	1,571	(1,298)	-

The Notes to the Financial Statements are an integral part of this statement.

				NONEXPENDABLE TRUSTS		
U.S.S. Alabama Battleship Commission	Historic Ironworks Commission	Music Hall of Fame	Drinking Water Finance Authority	Historical Commission	Alabama Education Foundation Authority	Totals
1,604	-	-	-	-	-	11,559
-	(26)	(5)	-	-	-	(12,756)
(23)	(5)	-	-	-	-	(2,039)
161	-	-	-	-	-	161
(2,615)	(26)	(3)	-	-	-	(4,423)
500	-	-	-	-	-	677
(373)	**(57)**	**(8)**	**0**	**0**	**0**	**(6,821)**
(529)	-	-	(32,500)	(31,967)	(1,619)	(876,516)
526	-	6	22,185	31,640	1,405	872,533
73	6	3	1,611	827	12	39,637
-	-	-	(32,305)	-	-	(108,206)
-	-	-	1,970	-	-	23,855
70	**6**	**9**	**(39,039)**	**500**	**(202)**	**(48,697)**
(167)	**(76)**	**33**	**7,474**	**-**	**(1)**	**10,342**
1,891	416	38	4,846	-	1	87,266
-	-	-	-	-	-	969
1,724	**340**	**71**	**12,320**	**-**	**-**	**98,577**
-	-	-	-	-	-	11
-	-	-	-	-	-	(813)
$ 1,724	**$ 340**	**$ 71**	**$ 12,320**	**$ 0**	**$ 0**	**$ 97,775**
-	-	-	-	-	-	250
-	-	-	-	-	-	3
-	-	-	-	12	3	(33)
-	-	-	320	4	8	45,532
-	-	-	-	12	3	616
-	-	-	320	4	8	45,532
-	-	-	122	-	-	1,647

COMBINING BALANCE SHEET
Fiduciary Funds - Discretely Presented Component Units

September 30, 2001
(Amounts in Thousands)

	Employees' Retirement System	Teachers' Retirement System	Crime Victims Compensation Commission	Historical Commission
ASSETS AND OTHER DEBITS				
Cash and Cash Equivalents (Notes 1E, 3)	$ 50,507	$ 99,581	$ 313	$ -
Investments (Notes 1I, 3)	8,051,963	15,499,630	7,721	10,641
Interest and Dividends Receivable (Note 1G)	102,523	191,686	-	-
Employer Contributions Receivable	7,181	23,321	-	-
Member Contributions Receivable	8,659	18,204	-	-
Due from Primary Government (Notes 1F, 7)	9	-	-	-
Due from Component Units (Notes 1F, 7)	-	11	-	-
Securities Lending Collateral (Note 3C)	226,656	545,288	-	-
Fixed Assets (Net of Accumulated Depreciation) (Note 4)	2,289	2,909	268	-
Amount to be Provided for General Long-term Obligations	-	-	141	-
TOTAL ASSETS AND OTHER DEBITS	**$ 8,449,787**	**$ 16,380,630**	**$ 8,443**	**$ 10,641**
LIABILITIES AND FUND BALANCES				
Liabilities				
Warrants Payable	$ 12,787	$ 18,989	$ 3	$ -
Accounts Payable	298	319	27	-
Salaries Payable	266	386	70	-
Due to Primary Government (Notes 1F, 7)	24	14	11	-
Due to Component Units (Notes 1F, 7)	11	-	-	-
Deferred Revenue	77	164	-	-
Amounts Held in Custody for Others	-	1	-	-
Securities Lending Obligation (Note 3C)	226,656	545,288	-	-
Compensated Absences (Note 1L)	880	1,222	141	-
Other Liabilities	-	-	3,117	-
Total Liabilities	**240,999**	**566,383**	**3,369**	**0**
Fund Balances and Other Credits				
Investment in Fixed Assets	-	-	268	-
Reserved for Encumbrances	-	-	6	-
Reserved for Specific Purposes (Note 6C)	-	-	-	10,404
Unreserved, Undesignated	743,211	-	4,800	-
Unreserved, Designated (Note 6C)	-	-	-	237
Reserved for Employees' Pension Benefits (Note 9)	7,465,577	15,814,247	-	-
Total Fund Balances and Other Credits (Note 1N)	**8,208,788**	**15,814,247**	**5,074**	**10,641**
TOTAL LIABILITIES, FUND BALANCES, AND OTHER CREDITS	**$ 8,449,787**	**$ 16,380,630**	**$ 8,443**	**$ 10,641**

The Notes to the Financial Statements are an integral part of this statement.

Alabama Education Foundation Authority	Totals
$ -	$ 150,401
403	23,570,358
-	294,209
-	30,502
-	26,863
-	9
-	11
-	771,944
-	5,466
-	141
$ 403	**$ 24,849,904**

$ -	$ 31,779
-	644
-	722
-	49
-	11
-	241
-	1
-	771,944
-	2,243
-	3,117
0	**810,751**
-	268
-	6
403	10,807
-	748,011
-	237
-	23,279,824
403	**24,039,153**
$ 403	**$ 24,849,904**

COMBINING BALANCE SHEET
Employees' Retirement System - Discretely Presented Component Unit

September 30, 2001
(Amounts in Thousands)

	Pension Trusts	Expendable Trusts	Totals
ASSETS			
Cash and Cash Equivalents (Notes 1E, 3)	$ 41,468	$ 9,039	$ 50,507
Investments (Notes 1I, 3)	7,331,044	720,919	8,051,963
Interest and Dividends Receivable (Note 1G)	88,316	14,207	102,523
Employer Contributions Receivable	7,181	-	7,181
Member Contributions Receivable	8,659	-	8,659
Due from Primary Government (Notes 1F, 7)	9	-	9
Securities Lending Collateral (Note 3C)	226,656	-	226,656
Fixed Assets (Net of Accumulated Depreciation) (Note 4)	2,289	-	2,289
TOTAL ASSETS	**$ 7,705,622**	**$ 744,165**	**$ 8,449,787**
LIABILITIES AND FUND BALANCES			
Liabilities			
Warrants Payable	$ 11,833	$ 954	$ 12,787
Accounts Payable	298	-	298
Salaries Payable	266	-	266
Due to Primary Government (Notes 1F, 7)	24	-	24
Due to Component Units (Notes 1F, 7)	11	-	11
Deferred Revenue	77	-	77
Securities Lending Obligation (Note 3C)	226,656	-	226,656
Compensated Absences (Note 1L)	880	-	880
Total Liabilities	**240,045**	**954**	**240,999**
Fund Balances			
Unreserved, Undesignated	-	743,211	743,211
Reserved for Employees' Pension Benefits (Note 9)	7,465,577	-	7,465,577
Total Fund Balances	**7,465,577**	**743,211**	**8,208,788**
TOTAL LIABILITIES AND FUND BALANCES	**$ 7,705,622**	**$ 744,165**	**$ 8,449,787**

The Notes to the Financial Statements are an integral part of this statement.

COMBINING STATEMENT OF PLAN NET ASSETS
Pension Trust Funds - Discretely Presented Component Units

September 30, 2001
(Amounts in Thousands)

	Employees' Retirement System	Teachers' Retirement System	Totals
ASSETS			
Cash and Cash Equivalents (Notes 1E, 3)	$ 41,468	$ 99,581	$ 141,049
Investments (Note 1I, 3)			
U.S. Treasury Securities	15,367	30,734	46,101
U.S. Agency Securities	267,152	769,046	1,036,198
Mortgage Backed Securities	183,229	475,233	658,462
Direct Mortgage Investments	63	127	190
Corporate Stocks	2,953,275	5,585,957	8,539,232
Corporate Bonds	2,727,583	5,707,380	8,434,963
Real Estate	368,256	760,284	1,128,540
Commercial Paper	125,981	682,522	808,503
International Stocks	470,212	1,090,299	1,560,511
International Bonds	28,999	54,983	83,982
Mutual and Money Market Funds	189,442	338,945	528,387
Other	1,485	4,120	5,605
Receivables			
Interest and Dividends Receivable (Note 1G)	88,316	191,686	280,002
Employer Contributions Receivable	7,181	23,321	30,502
Member Contributions Receivable	8,659	18,204	26,863
Due from Primary Government (Notes 1F, 7)	9	-	9
Due from Component Units (Notes 1F, 7)	-	11	11
Securities Lending Collateral (Note 3C)	226,656	545,288	771,944
Fixed Assets (Net of Accumulated Depreciation) (Note 4)	2,289	2,909	5,198
TOTAL ASSETS	**$ 7,705,622**	**$ 16,380,630**	**$ 24,086,252**
LIABILITIES AND FUND BALANCES			
Liabilities			
Warrants Payable	$ 11,833	$ 18,989	$ 30,822
Accounts Payable	298	319	617
Salaries Payable	266	386	652
Due to Primary Government (Notes 1F, 7)	24	14	38
Due to Component Units (Notes 1F, 7)	11	-	11
Deferred Revenue	77	164	241
Amounts Held in Custody for Others	-	1	1
Securities Lending Obligation (Note 3C)	226,656	545,288	771,944
Compensated Absences (Note 1L)	880	1,222	2,102
Total Liabilities	**240,045**	**566,383**	**806,428**
Fund Balances			
Reserved for Employees' Pension Benefits (Note 9)	7,465,577	15,814,247	23,279,824
Total Fund Balances	**7,465,577**	**15,814,247**	**23,279,824**
TOTAL LIABILITIES AND FUND BALANCES	**$ 7,705,622**	**$ 16,380,630**	**$ 24,086,252**

The Notes to the Financial Statements are an integral part of this statement.

COMBINING STATEMENT OF PLAN NET ASSETS
Employees' Retirement System - Discretely Presented Component Unit

September 30, 2001
(Amounts in Thousands)

	Employees' Retirement Plan	Judicial Retirement Plan	Clerks and Registers Supernumerary Plan	Totals
ASSETS				
Cash and Cash Equivalents (Notes 1E, 3)	$ 39,625	$ 1,176	$ 667	$ 41,468
Investments (Note 1I, 3)				
U.S. Treasury Securities	15,367	-	-	15,367
U.S. Agency Securities	262,517	4,635	-	267,152
Mortgage Backed Securities	181,352	1,877	-	183,229
Direct Mortgage Investments	63	-	-	63
Corporate Stocks	2,846,338	106,937	-	2,953,275
Corporate Bonds	2,630,571	92,051	4,961	2,727,583
Real Estate	366,325	1,931	-	368,256
Commercial Paper	113,457	12,524	-	125,981
International Stocks	470,212	-	-	470,212
International Bonds	28,999	-	-	28,999
Mutual and Money Market Funds	189,246	-	196	189,442
Other	1,485	-	-	1,485
Receivables				
Interest and Dividends Receivable (Note 1G)	86,080	2,236	-	88,316
Employer Contributions Receivable	6,916	265	-	7,181
Member Contributions Receivable	8,536	123	-	8,659
Due from Primary Government (Notes 1F, 7)	9	-	-	9
Securities Lending Collateral (Note 3C)	221,059	5,597	-	226,656
Fixed Assets (Net of Accumulated Depreciation) (Note 4)	2,289	-	-	2,289
TOTAL ASSETS	**$ 7,470,446**	**$ 229,352**	**$ 5,824**	**$ 7,705,622**
LIABILITIES AND FUND BALANCES				
Liabilities				
Warrants Payable	$ 11,335	$ 486	$ 12	$ 11,833
Accounts Payable	280	18	-	298
Salaries Payable	251	15	-	266
Due to Primary Government (Notes 1F, 7)	24	-	-	24
Due to Component Units (Notes 1F, 7)	11	-	-	11
Deferred Revenue	77	-	-	77
Securities Lending Obligation (Note 3C)	221,059	5,597	-	226,656
Compensated Absences (Note 1L)	795	85	-	880
Total Liabilities	**233,832**	**6,201**	**12**	**240,045**
Fund Balances				
Reserved for Employees' Pension Benefits (Note 9)	7,236,614	223,151	5,812	7,465,577
Total Fund Balances	**7,236,614**	**223,151**	**5,812**	**7,465,577**
TOTAL LIABILITIES AND FUND BALANCES	**$ 7,470,446**	**$ 229,352**	**$ 5,824**	**$ 7,705,622**

The Notes to the Financial Statements are an integral part of this statement.

COMBINING STATEMENT OF CHANGES IN PLAN NET ASSETS
Employees' Retirement System - Discretely Presented Component Unit

For the Fiscal Year Ended September 30, 2001

(Amounts in Thousands)

	Employees' Retirement Plan	Judicial Retirement Plan	Clerks and Registers Supernumerary Plan	Totals
ADDITIONS				
Contributions				
Employee	$ 130,965	$ 2,115	$ 272	$ 133,352
Employer	122,484	7,598	-	130,082
Total Contributions	253,449	9,713	272	263,434
Investment Income				
Investment Interest and Dividends	343,518	11,193	483	355,194
Net Increase (Decrease) in Fair Value of Investments	(874,433)	(35,377)	123	(909,687)
Securities Lending Income	20,922	467	-	21,389
Total Investment Income	(509,993)	(23,717)	606	(533,104)
Less:				
Investment Expense	(1,593)	(31)	-	(1,624)
Securities Lending Interest and Fees	(19,381)	(448)	-	(19,829)
Net Investment Income	(530,967)	(24,196)	606	(554,557)
Other Additions				
Miscellaneous	92	-	-	92
Operating Transfers from Component Units (Notes 1F,7)	1,273	97	-	1,370
Total Other Additions	1,365	97	0	1,462
Total Additions	**(276,153)**	**(14,386)**	**878**	**(289,661)**
DEDUCTIONS				
Benefit Payments	398,241	15,734	236	414,211
Administrative Expense	5,017	291	-	5,308
Operating Transfers to Component Units (Notes 1F, 7)	2,531	164	-	2,695
Total Deductions	**405,789**	**16,189**	**236**	**422,214**
Net Increase (Decrease)	**(681,942)**	**(30,575)**	**642**	**(711,875)**
Fund Balance Reserved for Employees' Pension Benefits, October 1, 2000 (Note 6)	7,918,556	253,726	5,170	8,177,452
Fund Balance Reserved for Employees' Pension Benefits, September 30, 2001	**$ 7,236,614**	**$ 223,151**	**$ 5,812**	**$ 7,465,577**

The Notes to the Financial Statements are an integral part of this statement.

COMBINING BALANCE SHEET
Higher Education Funds - Discretely Presented Component Units

September 30, 2001

(Amounts in Thousands)

	University of Alabama	Alabama Agricultural and Mechanical University	Alabama State University	Auburn University	Jacksonville State University
ASSETS					
Cash and Cash Equivalents (Notes 1E, 3)	$ 331,465	$ 4,695	$ 4,895	$ 979	$ 12,340
Investments (Notes 1I, 3)	1,278,160	29,337	10,443	400,763	26,994
Accounts Receivable (Note 1G)	238,226	17,240	9,170	37,732	4,368
Interest and Dividends Receivable (Note 1G)	7,415	-	-	3,318	-
Mortgages, Notes, and Loans Receivable (Note 1G)	25	2,265	2,134	17,166	2,425
Due from Component Units (Notes 1F, 7)	13,857	20	6,949	606	66
Inventory (Note 1H)	15,801	695	706	3,207	509
Other Assets	117,335	8,153	9,420	6,565	3,114
Fixed Assets (Net of Accumulated Depreciation) (Note 4)	1,207,096	149,144	132,957	338,701	103,290
TOTAL ASSETS	**$ 3,209,380**	**$ 211,549**	**$ 176,674**	**$ 809,037**	**$ 153,106**
LIABILITIES, FUND BALANCES, AND OTHER CREDITS					
Liabilities					
Accounts Payable	$ 96,578	$ 505	$ 3,551	$ 10,859	$ 2,377
Salaries Payable	-	-	-	-	1,343
Interest Payable	-	714	-	2,279	-
Due to Component Units (Notes 1F, 7)	13,857	20	6,949	606	66
Deferred Revenue	127,558	15,751	-	54,910	9,235
Amounts Held in Custody for Others	3,555	1,419	109	808	545
Compensated Absences (Note 1L)	29,108	1,224	1,489	18,269	1,007
Other Liabilities	9,454	5,272	8,028	26,738	936
Notes and Mortgages Payable (Note 5)	5,732	-	753	1,626	304
Revenue Bonds Payable (Note 5)	677,538	64,770	33,862	113,920	14,085
Capital Lease Obligations (Note 5)	34,250	6,931	892	2,631	-
Total Liabilities	**997,630**	**96,606**	**55,633**	**232,646**	**29,898**
Fund Balances and Other Credits					
Investment in Fixed Assets	270,687	-	108,889	-	90,243
Contributed Capital (Note 6B)	-	-	-	-	-
Reserved for Encumbrances	-	-	-	-	409
Unreserved, Undesignated	1,615,164	2,745	9,977	71,042	14,542
Unreserved, Designated (Note 6C)	70,171	77,756	-	70,179	-
Reserved for Endowment Funds	196,101	-	-	52,789	2,267
Reserved for Loan Funds	13,120	-	2,175	16,636	2,702
Reserved for Plant Funds	-	30,661	-	330,112	12,086
Reserved for Restricted Funds	46,507	3,781	-	35,633	959
Total Fund Balances and Other Credits (Note 1N)	**2,211,750**	**114,943**	**121,041**	**576,391**	**123,208**
TOTAL LIABILITIES, FUND BALANCES, AND OTHER CREDITS	**$ 3,209,380**	**$ 211,549**	**$ 176,674**	**$ 809,037**	**$ 153,106**

The Notes to the Financial Statements are an integral part of this statement.

University of West Alabama	University of Montevallo	University of North Alabama	University of South Alabama	Troy State University	Alabama Institute for the Deaf and Blind	Marine Environmental Sciences Consortium	Totals
$ 3,733	$ 2,812	$ 13,720	$ 32	$ 28,654	$ 10,161	$ 1,361	$ 414,847
2,739	12,921	13,194	95,268	5,696	600	-	1,876,115
1,456	3,258	4,680	31,633	17,931	3,957	449	370,100
-	-	-	-	-	-	-	10,733
-	-	1,882	5,752	3,707	-	-	35,356
-	136	-	1,427	11,911	105	-	35,077
548	432	9	-	1,304	4,776	131	28,118
1,247	4,865	3,888	19,251	13,416	-	-	187,254
37,652	45,621	86,997	410,624	128,118	36,615	10,302	2,687,117
$ 47,375	**$ 70,045**	**$ 124,370**	**$ 563,987**	**$ 210,737**	**$ 56,214**	**$ 12,243**	**$ 5,644,717**
$ 8	$ 1,708	$ 718	$ 10,548	$ 1,586	$ 2,095	$ 16	$ 130,549
-	-	-	-	-	-	-	1,343
-	-	-	-	-	-	-	2,993
-	136	-	1,427	11,911	105	-	35,077
2,744	7,483	9,694	13,161	20,334	-	-	260,870
110	142	356	-	1,561	216	96	8,917
469	322	599	7,582	324	1,099	222	61,714
123	-	1,408	24,999	-	1,193	-	78,151
-	-	242	10,373	1,614	2,267	-	22,911
4,056	7,611	14,015	101,976	37,080	-	1,547	1,070,460
-	-	-	5,522	86	-	-	50,312
7,510	**17,402**	**27,032**	**175,588**	**74,496**	**6,975**	**1,881**	**1,723,297**
33,596	-	-	-	92,003	-	-	595,418
-	-	-	-	1,500	-	-	1,500
-	-	-	-	-	-	-	409
2,673	52,643	97,338	13,754	39,598	49,239	10,362	1,979,077
2,842	-	-	-	531	-	-	221,479
397	-	-	11,142	-	-	-	262,696
347	-	-	5,068	2,609	-	-	42,657
-	-	-	357,357	-	-	-	730,216
10	-	-	1,078	-	-	-	87,968
39,865	**52,643**	**97,338**	**388,399**	**136,241**	**49,239**	**10,362**	**3,921,420**
$ 47,375	**$ 70,045**	**$ 124,370**	**$ 563,987**	**$ 210,737**	**$ 56,214**	**$ 12,243**	**$ 5,644,717**

COMBINING STATEMENT OF CHANGES IN FUND BALANCES
Higher Education Funds - Discretely Presented Component Units

For the Fiscal Year Ended September 30, 2001
(Amounts in Thousands)

	University of Alabama	Alabama Agricultural and Mechanical University	Alabama State University	Auburn University	Jacksonville State University
REVENUES AND OTHER ADDITIONS					
Investment Income	$ (6,991	$ -	$ 320	$ (15,174	$ 116
Educational and General	346,783	26,780	31,512	193,998	26,433
Auxiliary Enterprises	98,567	11,752	-	68,386	4,457
Endowment Income	(34,734)	-	-	-	114
Federal Contracts and Grants	330,224	23,620	39,336	75,622	31,755
State and Local Contracts and Grants	24,023	1,806	2,993	11,393	2,545
Gifts and Bequests	61,509	-	-	26,101	823
Private Grants and Contracts	46,071	625	2,333	9,847	-
State Appropriations	3,850	-	-	-	-
Interest on Loans Receivable	690	68	36	302	36
Federal Appropriations	-	2,963	-	-	-
Interest Income	-	1,713	-	12,486	-
Expended for Plant Facilities	129,607	4,075	-	51,087	3,929
Proceeds from Sale of Assets	-	-	-	-	6
Retirement of Indebtedness	18,582	1,695	5,874	6,536	815
Other Additions	5,913	1,626	2,492	5,619	425
Hospital	665,866	-	-	-	-
Total Revenues and Other Additions	**1,689,960**	**76,723**	**84,896**	**446,203**	**71,454**
EXPENDITURES AND OTHER DEDUCTIONS					
Educational and General	1,024,472	82,483	93,323	447,137	86,288
Hospital	595,171	-	-	-	-
Auxiliary Enterprises	94,108	8,411	7,796	63,073	3,633
Indirect Cost Recovered	68,869	1,134	-	10,004	125
Refunded to Grantors	235	-	-	337	-
Loan Cancellations and Write-offs	557	-	10	305	30
Administrative and Collection Costs	108	100	5	132	8
Expended for Plant Facilities	84,516	-	5,126	38,614	4,311
Retirement of Indebtedness	18,582	1,695	1,903	6,536	815
Interest on Indebtedness	34,211	3,669	1,397	6,070	646
Reduction of Plant Facilities and Equipment	3,473	-	-	1,210	401
Other Deductions	2,652	1,877	103	2,902	6,870
Depreciation Expense	100,215	-	-	29,037	-
Total Expenditures and Other Deductions	**2,027,169**	**99,369**	**109,663**	**605,357**	**103,127**
TRANSFERS					
Operating Transfers from Primary Government (Notes 1F, 7)	359,559	30,421	28,445	194,843	27,547
Total Transfers	**359,559**	**30,421**	**28,445**	**194,843**	**27,547**
Net Increase (Decrease) for the Year	**22,350**	**7,775**	**3,678**	**35,689**	**(4,126)**
Fund Balances, October 1, 2000 (Note 6)	2,165,034	116,312	122,546	540,702	130,777
Restatements (Note 6A)	24,366	(9,144)	(5,183)	-	(3,443)
Fund Balances, September 30, 2001	**$ 2,211,750**	**$ 114,943**	**$ 121,041**	**$ 576,391**	**$ 123,208**

The Notes to the Financial Statements are an integral part of this statement.

University of West Alabama	University of Montevallo	University of North Alabama	University of South Alabama	Troy State University	Alabama Institute for the Deaf and Blind	Marine Environmental Sciences Consortium	Totals
$ 102	$ 122	$ 469	$ (1,120	$ (542	$ -	$ -	$ (22,698
6,473	11,168	17,807	76,461	72,825	17,840	-	828,080
3,121	5,274	4,079	13,017	-	-	-	208,653
-	-	-	-	87	27	-	(34,506)
2,964	8,631	5,345	27,835	11,142	4,933	1,259	562,666
252	1,957	1,433	2,923	5,050	102	250	54,727
-	-	-	3,445	-	1,314	-	93,192
249	7	849	3,381	912	274	173	64,721
-	-	-	-	-	-	-	3,850
-	16	35	-	-	-	-	1,183
-	-	-	-	-	-	-	2,963
-	-	-	1,786	1,153	37	-	17,175
223	-	3,474	18,420	7,317	2,849	509	221,490
-	-	-	-	-	-	-	6
211	1,820	130	6,883	2,472	130	138	45,286
114	1,178	34	4,670	115	1,134	1,654	24,974
-	-	-	249,287	-	-	-	915,153
13,709	**30,173**	**33,655**	**406,988**	**100,531**	**28,640**	**3,983**	**2,986,915**
18,465	34,908	41,610	176,993	104,064	36,826	4,580	2,151,149
-	-	-	231,137	-	-	-	826,308
-	5,125	4,524	11,681	8,040	-	987	207,378
2,661	-	-	4,479	408	206	155	88,041
-	-	2	-	15	-	-	589
-	7	13	-	121	-	-	1,043
-	-	15	-	97	-	-	465
211	1,253	2,276	15,977	5,512	2,307	-	160,103
200	359	201	6,883	2,324	-	-	39,498
270	-	758	5,690	2,413	-	-	55,124
29	-	1,275	4,003	3,709	125	53	14,278
154	3,492	10	1,104	316	18,926	-	38,406
-	-	-	-	-	-	-	129,252
21,990	**45,144**	**50,684**	**457,947**	**127,019**	**58,390**	**5,775**	**3,711,634**
8,880	14,544	20,431	78,704	34,034	33,404	2,615	833,427
8,880	**14,544**	**20,431**	**78,704**	**34,034**	**33,404**	**2,615**	**833,427**
599	**(427)**	**3,402**	**27,745**	**7,546**	**3,654**	**823**	**108,708**
39,266	53,070	93,936	360,654	127,772	49,771	9,539	3,809,379
-	-	-	-	923	(4,186)	-	3,333
$ 39,865	**$ 52,643**	**$ 97,338**	**$ 388,399**	**$ 136,241**	**$ 49,239**	**$ 10,362**	**$ 3,921,420**

COMBINING STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES, AND OTHER CHANGES
Higher Education Funds - Discretely Presented Component Units
For the Fiscal Year Ended September 30, 2001

(Amounts in Thousands)

	University of Alabama	Alabama Agricultural & Mechanical University	Alabama State University	Auburn University	Jacksonville State University
REVENUES AND OTHER ADDITIONS					
Educational and General					
Tuition and Fees	$ 174,176	$ 19,384	$ 17,672	$ 140,818	$ 24,244
State Appropriations	-	-	-	-	-
Federal Appropriations, Grants, and Contracts	275,790	27,129	38,807	73,161	31,654
State Grants and Contracts	14,454	2,183	3,739	8,607	1,613
Private Gifts, Grants, and Contracts	83,799	625	2,333	25,987	551
Indirect Cost Recovery	56,069	-	-	-	-
Endowment Income	16,064	-	-	9,795	412
Sales and Services of Educational Activities	54,628	1,064	10,780	18,855	502
Investment Income	33,642	-	354	13,760	-
Other Sources	12,042	2,366	1,349	14,586	1,557
Total Educational and General	**720,664**	**52,751**	**75,034**	**305,569**	**60,533**
Auxiliary and Hospital Enterprises					
Hospital - Sales and Services	638,461	-	-	-	-
- State Appropriations	-	-	-	-	-
Auxiliary - Residence Hall and Student Fees	8,139	10,475	-	-	1,546
- Sales and Services - Operations	89,603	1,277	-	68,386	1,509
- State Appropriations	-	-	-	-	-
- Other Sources	30,517	1	-	-	1,402
Total Auxiliary and Hospital Enterprises	**766,720**	**11,753**	**0**	**68,386**	**4,457**
TOTAL REVENUES	**1,487,384**	**64,504**	**75,034**	**373,955**	**64,990**
EXPENDITURES AND TRANSFERS					
Educational and General Expenditures					
Instruction	316,900	17,077	20,618	143,864	25,651
Research	261,175	8,167	1,778	81,295	842
Public Service	131,456	10,996	2,055	71,760	2,273
Academic Support	90,010	5,320	3,465	19,232	4,641
Student Services	28,250	8,927	7,531	13,765	7,543
Institutional Support	73,199	13,640	13,878	31,936	5,652
Operation and Maintenance of Plant	40,980	5,812	5,147	30,531	6,096
Scholarships, Financial Awards, and Fellowships	64,029	12,540	38,843	42,098	33,589
Other	18,472	1,826	-	12,657	-
Total Educational and General Expenditures	**1,024,471**	**84,305**	**93,315**	**447,138**	**86,287**
Transfers					
Mandatory Transfers	16,966	-	1,201	6,443	750
Nonmandatory Transfers	6,028	-	-	-	-
Total Educational and General Transfers	**22,994**	**0**	**1,201**	**6,443**	**750**
Total Educational and General Expenditures and Transfers	**1,047,465**	**84,305**	**94,516**	**453,581**	**87,037**
Auxiliary and Hospital Enterprises					
Hospital Expenditures	598,172	-	-	-	-
Hospital Transfers	-	-	-	-	-
Auxiliary Expenditures	96,231	8,411	7,796	63,073	3,633
Auxiliary Mandatory Transfers	8,744	5,647	1,468	7,265	695
Auxiliary Nonmandatory Transfers	5,876	-	-	-	6
Total Auxiliary and Hospital Enterprises	**709,023**	**14,058**	**9,264**	**70,338**	**4,334**
TOTAL EXPENDITURES AND TRANSFERS	**1,756,488**	**98,363**	**103,780**	**523,919**	**91,371**
OTHER CHANGES					
Excess of Receipts over Transfers of Revenue	-	-	695	-	280
Transfers In From Primary Government	359,559	30,421	28,445	194,843	27,547
Plant Funds	(6,063)	-	-	-	(1,066)
Other	(49,211)	-	256	(36,901)	(23)
TOTAL OTHER CHANGES	**304,285**	**30,421**	**29,396**	**157,942**	**26,738**
Net Increase (Decrease) In Fund Balances	**$ 35,181**	**$ (3,438)**	**$ 650**	**$ 7,978**	**$ 357**

The Notes to the Financial Statements are an integral part of this statement.

University of West Alabama	University of Montevallo	University of North Alabama	University of South Alabama	Troy State University	Alabama Institute for the Deaf and Blind	Marine Environmental Sciences Consortium	Totals
$ 4,910	$ 10,013	$ 15,738	$ 44,456	$ 56,086	$ 2	$ 545	$ 508,044
-	-	323	-	-	-	-	323
2,924	8,631	4,009	28,244	11,809	7,125	1,252	510,535
20	1,013	1,112	1,792	3,858	207	250	38,848
206	7	330	23,386	1,947	477	184	139,832
-	173	-	-	-	-	-	56,242
-	-	-	-	24	27	-	26,322
-	-	-	-	9,060	14,319	115	109,323
-	600	508	-	-	309	-	49,173
166	820	1,184	1,721	4,915	710	310	41,726
8,226	**21,257**	**23,204**	**99,599**	**87,699**	**23,176**	**2,656**	**1,480,368**
-	-	-	241,932	-	-	-	880,393
-	-	-	640	-	-	-	640
-	-	-	-	-	-	-	20,160
3,121	5,274	4,068	13,017	-	-	679	186,934
-	-	11	-	-	-	-	11
1,437	-	39	13,861	-	-	-	47,257
4,558	**5,274**	**4,118**	**269,450**	**0**	**0**	**679**	**1,135,395**
12,784	**26,531**	**27,322**	**369,049**	**87,699**	**23,176**	**3,335**	**2,615,763**
6,869	11,065	17,532	73,803	41,035	27,610	706	702,730
85	13	1,061	13,138	277	-	927	368,758
22	510	763	22,348	5,567	5,295	254	253,299
1,232	3,782	3,701	15,182	8,719	3,669	570	159,523
3,171	3,723	5,142	15,025	8,912	9,550	-	111,539
2,081	2,598	4,901	12,147	17,451	5,799	1,188	184,470
1,869	3,378	3,901	12,960	8,259	4,035	1,030	123,998
2,723	9,840	4,614	12,392	14,253	-	62	234,983
413	-	-	-	-	-	-	33,368
18,465	**34,909**	**41,615**	**176,995**	**104,473**	**55,958**	**4,737**	**2,172,668**
-	11	1,399	3,466	3,462	-	-	33,698
-	-	552	-	-	317	-	6,897
0	**11**	**1,951**	**3,466**	**3,462**	**317**	**0**	**40,595**
18,465	**34,920**	**43,566**	**180,461**	**107,935**	**56,275**	**4,737**	**2,213,263**
-	-	-	237,514	-	-	-	835,686
-	-	-	-	-	-	-	-
2,661	4,158	4,524	11,681	8,040	-	987	211,195
365	1,143	-	1,136	-	-	-	26,463
-	-	60	155	-	-	-	6,097
3,026	**5,301**	**4,584**	**250,486**	**8,040**	**0**	**987**	**1,079,441**
21,491	**40,221**	**48,150**	**430,947**	**115,975**	**56,275**	**5,724**	**3,292,704**
229	141	-	200	-	-	-	1,545
8,880	14,544	20,431	78,704	34,034	33,404	2,615	833,427
-	-	-	(4,607)	(5,950)	-	-	(17,686)
7	(702)	(22)	(14,470)	242	-	-	(100,824)
9,116	**13,983**	**20,409**	**59,827**	**28,326**	**33,404**	**2,615**	**716,462**
$ 409	**$ 293**	**$ (419)**	**$ (2,071)**	**$ 50**	**$ 305**	**$ 226**	**39,521**

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1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

As required by generally accepted accounting principles, these financial statements present the State of Alabama (the primary government) and its component units. Component units are legally separate organizations ("public corporations") for which the primary government is financially accountable. Generally, the primary government is financially accountable if it appoints a voting majority of the organization's board and it can either 1) impose its will on the organization or 2) there is a financial benefit/burden relationship. If the primary government does not control the board, it may be financially accountable if the organization is fiscally dependent on the State. Organizations making up the primary government and its component units are summarized in the following paragraphs.

1. Primary Government

All State departments, agencies, elected officials, boards, commissions, authorities, committees, halls of fame, educational institutions, and other State organizations (hereafter referred to as "agencies") which are not legally separate are, for financial reporting purposes, part of the primary government. All agencies and funds that operate from within the State Treasury, except those listed later as component units, are part of the primary government. The following non-Treasury agencies operate largely independent of the control of the State Comptroller, Auditor, and Treasurer, but lack the corporate powers to make them legally separate and are therefore part of the primary government:

- Alabama College System (two-year schools)
- Alabama State Fire College
- Athens State College
- Aviation Hall of Fame
- Commercial Mobile Radio Service Board
- Dental Examiners Board
- Dental Scholarships Awards Board
- Gorgas Memorial Board
- Alabama Industrial Development and Training Institute
- Medical Examiners and Licensure Commission
- Medical Scholarships Awards Board
- Motor Sports Hall of Fame
- Optometric Scholarships Awards Board
- Optometry Board
- Pharmacy Board
- Pilotage Commission
- Podiatry Board
- School of Fine Arts
- Skills Centers
- State Port Authority
- State Safety Coordinating Committee
- Women's Hall of Fame

2. Blended Component Units

Blended component units are legally separate but they exist solely to provide services (usually financing) exclusively to the State. Because of this close relationship, they are blended with and reported as though they are a part of the primary government. All references in the financial statements or elsewhere in these notes to the term "primary government" will encompass both the primary government and the blended component units.

The following blended component units were created for the purpose of financing capital expenditures for the State. Each issues revenue bonds that are limited obligations of the component unit. Their boards consist of State officials and specific State revenues that are pledged for bond repayment. Those marked with a † are currently inactive and have no financial balances or activity in the past fiscal year.

- Agriculture Markets and Coliseum Authority †
- Corrections Institution Finance Authority
- Federal Aid Highway Finance Authority †
- Highway Authority †
- Industrial Access Road and Bridge Authority
- Judicial Building Authority
- Alabama Trade School and Junior College Authority †
- Public Health Care Authority
- Gulf State Park Authority †

The Building Renovation Finance Authority has the same characteristics as those in the previous paragraph, but has the added responsibility of operating, maintaining, and renting buildings in the capitol complex that are occupied by State departments.

The State Parks System Improvement Corporation renovates, improves, maintains, and constructs assets belonging to the State Parks System. The six members of the Corporation are State officials.

The Forensic Science Bond Authority has the power to acquire, construct, and equip laboratories and other facilities for the State Department of Forensic Sciences. The four members of the authority are State officials. The Authority had no financial activity in the past fiscal year.

The Alabama State Parking Deck Authority has the authority to sell bonds, operate, maintain, and rent out space in a parking deck on a block in the capitol complex. The Authority has remained inactive since the enabling legislation was passed.

The Educational Television Foundation Authority exists to receive, invest, and expend donated moneys for the purpose of promoting the growth and development of educational television. The Authority consists of thirteen members who are appointed by the Educational Television Authority. As a non-profit public corporation, the Authority provides financing flexibility that the Authority, as part of the primary government, would not otherwise have.

3. Discretely Presented Component Units

Discretely presented component units are organizations, which are legally separate and do not exist to provide services exclusively to the primary government. Providing services to the citizens of the State is not considered the same as providing services to the primary government institution. Financial information for discretely presented component units is segregated on the financial statements and the notes in the "Component Unit" columns in order to emphasize that they are legally separate.

Most of the discretely presented component units have boards that are controlled by the primary government through the appointment of a majority of the board members. The State has been determined to be financially accountable for each organization because it can impose its will on each organization. Unless otherwise noted, financial accountability for each organization described below exists at least in the ability of the State to modify the component unit's budget. Other manifestations of financial accountability may also exist.

For discretely presented component units whose boards are not controlled by the State, the organization has been determined to be fiscally dependent on the State. Unless otherwise noted, fiscal dependency exists at a minimum in the State's ability to modify the component unit's budget. Other manifestations of fiscal dependency may also exist.

When audited financial statements for a discretely presented component unit exist, the address at which such financial statements can be obtained is included in the following paragraphs describing each component unit. For all other discretely presented component units, complete financial statements may be obtained from the State of Alabama, Office of State Comptroller, RSA Union Building, Suite 206, Montgomery, AL 36130-2602.

The Employees' Retirement System (ERS) operates three pension plans and several expendable trusts for the benefit of State and local governmental employees. The ERS is governed by a thirteen-member board of control, seven of whom are either primary government officials or appointees of the Governor. Separate audited financial statements are available for the ERS, the Judicial Retirement Fund, and the expendable trusts. Each may be obtained from the Retirement Systems of Alabama, 135 South Union Street, P.O. Box 302150, Montgomery, AL 36130-2150.

The Water Pollution Control Authority operates a revolving loan fund to aid municipalities in financing the construction of wastewater treatment facilities. A five-member board of directors made up of ex officio members governs the Authority. Audited financial statements of the Authority may be obtained from the Alabama Department of Environmental Management at 1400 Coliseum Boulevard, Montgomery, AL 36130.

The Alabama Drinking Water Finance Authority operates a revolving loan fund to aid local governments in financing the construction of sanitary drinking water facilities. A five member board of directors made up of ex officio members governs the Authority. Audited financial statements of the Authority may be obtained from the Alabama Department of Environmental Management at 1400 Coliseum Boulevard, Montgomery, AL 36130.

The Department of Mental Health and Mental Retardation provides mental health and mental retardation services for the people of Alabama. The Governor of the State and the commissioner of the Department constitute a public corporation and are advised by a sixteen-member board of trustees. The commissioner and ten of the board members are appointed at the discretion of the Governor. The Mental Health Finance Authority exists to provide financing services to the Department and is therefore a blended component unit of the Department and is included in all amounts reported for Mental Health.

The Crime Victims Compensation Commission awards compensation for economic losses arising from criminal conduct and works to change laws to benefit crime victims. The Commission consists of three members who are appointed by the Governor.

The Tennessee Valley Exhibit Commission operates a public exhibit based primarily on the history of and ongoing activities of the Tennessee Valley Authority and various other public entities involved in energy research and development. The sixteen-member Commission is appointed by the Governor.

The State Industrial Development Authority issues bonds and uses the proceeds to make grants to local industrial development boards. All members of the Authority are elected or appointed state officials.

The Alabama Education Foundation encourages donations of money for local school systems and invests the money for the benefit of each local system. The Foundation is governed by a twelve-member board that is made up of state officials and other individuals appointed by state authorities.

The Supercomputer Authority operates a supercomputer for the use of educational and governmental research institutions, private businesses, and individuals. The eleven directors of the Authority are appointed by state officials.

The boards of the four-year colleges of the State, except for the University of Alabama, are appointed by the State. Those colleges are: Alabama A&M University, Alabama State University, Auburn University, Jacksonville State University, University of Montevallo, University of West Alabama, University of North Alabama, University of South Alabama, and Troy State University. The University of Alabama board of trustees is not controlled by the State but the university is subject to budgetary control by the State.

Complete financial statements for those universities which are audited may be obtained at the following addresses: Associate Controller, University of South Alabama, AD 380, Mobile, AL 36688-0002; Office of the Vice President for Business and Finance, Alabama A&M University, P.O. Box 369, Normal, AL 35762; Vice-President for Financial Affairs, University of Alabama at Tuscaloosa, P.O. Box 870136, Tuscaloosa, AL 35487-0136; Director of Accounting and Financial Reporting, University of Alabama in Huntsville, Huntsville, AL 35899; Vice President for Financial Affairs and Administration, University of Alabama at Birmingham, Birmingham, AL 35294; Director, Financial Reporting, Auburn University, Auburn University, AL 36849-5161; Comptroller, Station 6060, University of Montevallo, Montevallo, AL 35115-6000.

The Alabama Institute for the Deaf & Blind is an educational institution governed by a fourteen-member board, twelve of whom are appointed by the Governor.

The Marine Environmental Sciences Consortium provides educational programs in marine sciences for the graduate and undergraduate level and conducts research in marine sciences. The board of directors is composed of the chief executive officers of the member institutions.

The Alabama Public School & College Authority (APSCA) issues bonds and uses the proceeds to fund capital construction projects in the local school systems. The Governor, the finance director, and the state superintendent of education constitute the Authority.

The Tombigbee Valley Development Authority consists of six state officials who oversee the development of improvements along the Tombigbee River.

The Higher Education Loan Corporation provides Alabama lending institutions with a secondary market for student loans made under the federal guaranteed student loan program. Audited financial statements may be obtained from the Alabama Commission on Higher Education at P.O. Box 302000, Montgomery, AL 36130-2000.

U.S.S. Alabama Battleship Commission consists of eighteen members appointed by the Governor. The Commission operates a memorial park centered near the historic battleship.

The fourteen-member board of directors of the Housing Finance Authority are appointed by various state officials. The Authority sells bonds and uses the proceeds to make it possible for lenders to make low interest rate mortgages available to low income home buyers. The primary government does not affect the Authority's budget, but the legislature has historically limited the Authority's ability to issue bonds. Audited financial statements may be obtained from the Authority at P.O. Box 230909, 2000 Interstate Park Drive, Suite 408, Montgomery, AL 36123-0909.

Alabama Historic Ironworks Commission operates an historic park based on one of the State's early ironworks. Fourteen of the eighteen members on the commission are appointed by the Governor. Part of the Commission's budget is subject to State control. Audited financial statements may be obtained from the Commission at 12632 Confederate Parkway, McCalla, AL 35111.

The Space Science Exhibit Commission operates the Alabama Space and Rocket Center along with the Space Camp. All eighteen members of the Commission are appointed by the Governor and part of the Commission's budget is subject to State approval. Audited financial statements may be obtained from the Commission at the Alabama Space and Rocket Center, P. O. Box 070015, Huntsville, AL 35807-7015.

The Coosa Valley Development Authority oversees

developments and improvements along the Coosa River. Six of the seven members of the Authority are State officials.

The Teachers' Retirement System (TRS) operates a pension plan for the benefit of all employees of public education institutions throughout the State. It is governed by a fourteen-member board, ten of whom are elected from among the member employees. The administrative budget of TRS is subject to approval by the State. Audited financial statements for TRS may be obtained from the Retirement Systems of Alabama, 135 South Union Street, P.O. Box 302150, Montgomery, AL 36130-2150.

The Alabama International Airport Authority was created to develop an international airport in the State. The State controls the appointment of only five of the ten members. All funding for the Authority is through the General Fund, so the Authority is subject to full budgetary control.

The Historical Commission is responsible for the preservation of historic sites, buildings, and objects. The twenty-member Commission is not controlled by the State, but the Commission's budget is subject to State control.

The Choctawhatchee Pea and Yellow Rivers Watershed Management Authority develops and executes plans for water conservation and usage, flood control and prevention, water pollution control, wildlife habitat protection, and erosion control within the boundaries of the Authority. The directors of the Authority are elected by local residents but the Authority is subject to State budgetary control.

The Agricultural Museum Board exists to preserve and exhibit agricultural artifacts. The Board is not controlled by the State, but it is subject to state budgetary control.

The Music Hall of Fame operates a public exhibit displaying music memorabilia in honor of Alabamians who have made a lasting contribution to music. The Hall has both an independent board and is fiscally independent of the State. The Hall is included in these financial statements because it would be misleading to exclude. The State has some limited budgetary influence and the State funded the construction of the Hall's facilities with a general obligation bond issue.

The Blakeley Historic Authority preserves the historic site of the town of Blakeley and operates a park on the site. The Authority has both an independent board and is fiscally independent of the State. The Authority is included in the reporting entity because the State has some limited budgetary influence and the State provides the majority of the Authority's funding.

The Alabama Incentives Financing Authority was created to fulfill the State's financial commitments made to industries locating and expanding in the State under the terms of legislation granting certain financial incentives. The board is made up of three state officials, and is authorized to issue bonds to fulfill the State's financial commitments.

The Revolving Loan Fund Authority was created to make grants to twelve regional planning commissions for the purpose of financing local economic development projects. Four of the six members of the Authority are State officials.

The Alabama Twenty-first Century Authority was created to promote economic development and industrial recruitment. The Authority can issue revenue bonds and pledge part of the proceeds of the settlement of the tobacco industry litigation to finance the bonds. The board is made up of three state officials.

The Agricultural Development Authority promotes development of agriculture in the State by making low interest loans available to persons engaged in agricultural operations. The seven-member board is made up of three state officials and four other persons appointed by the State.

The Public Historical Sites and Parks Improvement Corporation renovates, improves, maintains, and constructs State owned public historical sites and parks not under the jurisdiction of the Department of Conservation and Natural Resources as well as non-State owned public historical sites and parks. The six members of the Corporation are state officials.

4. Excluded Organizations

Other entities have been examined but failed to meet the criteria for inclusion in the State's reporting entity. The city and county boards of education are legally separate organizations whose boards are not controlled by the State. They are fiscally dependent on both the State and local governments. It is more appropriate that they be included as part of a local government's reporting entity.

The Elk River Development Agency, Bear Creek Development Authority, and Cahaba Trace Commission are legally separate organizations whose boards are neither controlled by the State nor are they fiscally dependent on the State. All three of these organizations are excluded. The many local soil and water conservation districts are legally separate organizations which have independent boards and are fiscally independent. In keeping with their independence, they are excluded from this report.

5. Sources of Information

The majority of State organizations, whether primary government or component unit, conduct their financial operations from the State Treasury through the State's central accounting system under the supervision and review of the State Comptroller, State Treasurer, and State Auditor. The source of information on these agencies is the State's central accounting system. For these agencies, the recording of cash, warrants payable, encumbrances, salaries payable, compensated absences, most investments, most short-term payables, most revenues and most expenditures/expenses are controlled by the Comptroller and/or the Treasurer and are therefore subject to extensive scrutiny. Accruals of revenues, a few accruals of expenditures/expenses, and all other accounts, such as depreciation, fixed assets, inventories, and capital leases, generally are based on data provided by the individual agencies. The data provided by the agencies are reviewed and recorded once a year and are believed to be materially correct even though they are not generally subject to extensive scrutiny by the Comptroller, Treasurer, or Auditor.

There are some organizations and funds which meet the criteria for inclusion as part of the reporting entity even though they have the authority to conduct their financial operations through bank accounts and accounting systems outside the State Treasury, independent of the direct daily control of the Comptroller, Treasurer, and Auditor. These non-Treasury agencies are included in the financial statements based on information provided to the Comptroller once a year by the agency or the agency's auditors. Whenever possible, the non-Treasury agencies are reported as they appeared in the information submitted to the Comptroller. However, corrections or modifications have been made whenever required to comply with generally accepted accounting principles or wherever necessary to ensure consistent statewide report presentation.

The following non-Treasury agencies and funds are included in this report:

Primary Government

- Alabama College System
- Alabama Health Insurance Plan
- Alabama Industrial Development Training Institute
- Alabama School of Fine Arts
- Alabama Skills Center
- Alabama State Port Authority
- Alabama State Fire College
- Athens State College
- Attorney General Outside Accounts
- Aviation Hall of Fame
- Blind Vendors Fund
- C.C. Smith Trust Fund
- Charlotte Thorn Endowment Fund
- Commercial Mobile Radio Service Board
- Corrections Bank Accounts and Agency Funds
- Corrections Canteen Funds
- Corrections Institute Finance Authority Bank Account
- Court System Local Accounts
- Dental Examiners Board
- Dental Scholarships Awards Board
- Department of Human Resources Local Funds and Child Support Funds
- Educational Television Foundation Authority
- Geological Survey Library Revolving Fund
- Gorgas Memorial Board
- Hicks Memorial Endowment Fund
- High School of Math and Science
- Insurance Department Statutory Deposits
- Mary May Eliot Memorial Fund
- Medicaid Agency Lien Account and Qualifying Individual 2 Funds
- Medical Scholarships Awards Board
- Medical Examiners and Licensure Commission
- Men’s Hall of Fame Outside Account
- Military Department Unit Funds
- Montgomery Downtown Redevelopment Authority
- Motor Sports Hall of Fame
- National Guard Canteen Funds
- Non-Emergency Transportation
- Optometry Board
- Optometric Scholarships Awards Board
- Peace Officers' Annuity & Benefit Investment Account
- Pharmacy Board
- Pilotage Commission
- Podiatry Board
- Public Health Care Authority
- Public Health Local Funds
- Public Safety Narcotics Funds
- Sports Hall of Fame Checking Account
- State Bar Checking Account
- State Bar Client Security
- State Bar Foundation
- State Port Authority Hourly Pension Plan
- State Port Authority Railway Pension Plan
- State Safety Coordinating Committee
- Student Assistance Initiated Loan Servicing Account
- Supreme Court Checking Account
- Transportation Surety Bonds
- Unemployment Compensation Funds
- Victims Services Fund
- W.V. Chambliss Trust Fund
- Women's Hall of Fame

- Youth Service Student Accounts & Local Funds

Discretely Presented Component Units

- Alabama A & M University
- Alabama Drinking Water Finance Authority
- Alabama Higher Education Loan Corporation
- Alabama Historic Ironworks Commission
- Alabama Housing Finance Authority
- Alabama Incentives Financing Authority
- Alabama Institute for Deaf and Blind
- Alabama State University
- Auburn University
- Blakeley Historic Authority
- Crime Victims' Compensation Fund
- Jacksonville State University
- Marine Environmental Sciences Consortium
- Mental Health Client/Patient Funds
- Mental Health Capital Projects - Bank Account
- Music Hall of Fame
- Space Science Exhibit Commission and Space Science Exhibit Finance Authority
- Troy State University
- U.S.S. Alabama Battleship Commission
- University of Alabama in Birmingham
- University of Alabama in Huntsville
- University of Alabama in Tuscaloosa
- University of Montevallo
- University of North Alabama
- University of South Alabama
- University of West Alabama
- Water Pollution Control Authority

B. Fund Accounting

The State uses funds and account groups to report its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not affect net expendable available financial resources.

The accompanying financial statements are presented in four classifications of funds, two account groups, and component units as described below. The fund classifications include governmental funds, proprietary funds, fiduciary funds, and the higher education funds. Account groups are presented for general fixed assets and general long-term obligations.

Governmental funds are used to account for most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital projects funds), and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they are to be paid. The difference between fund assets and liabilities, the fund equity, is referred to as "fund balance."

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds).

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. When these assets are held under the terms of a formal trust agreement, a pension trust fund, a nonexpendable trust fund, or an expendable trust fund is used. Expendable trusts account for the activities of trusts whose principal and income may be used for the purposes of the trust. Nonexpendable trusts account for activities of trusts whose income may be used to fund trust activities, but whose principal must be maintained intact. Agency funds generally are used to account for assets that the government holds on behalf of others as their agent.

Account groups are used to account for the State's general fixed assets and its general long-term debt. General fixed assets do not represent financial resources available for appropriation and expenditure and are therefore segregated from governmental funds in the General Fixed Asset Account Group. The unmatured principle of general long-term debt does not require the expenditure of current appropriations of governmental fund financial resources and is therefore accounted for separately in the General Long-Term Debt Account Group.

Higher education funds account for the operations of the State's colleges, universities, trade schools, and other educational entities. The higher education institutions

account for their activities in the following funds:

Current Funds - includes unrestricted funds over which the institutions' governing boards retain full control in achieving the institutions' purposes, and restricted funds, which may be used only in accordance with externally restricted purposes.
Loan, Endowment, and Agency Funds account for assets in which the institutions act in a fiduciary capacity.
Plant Funds account for institutional property acquisition, renewal, replacement, and debt service.
Annuity and Life Income Funds account for funds received by an institution under deferred-giving agreement contracts.

The component units include organizations that are legally separate from the State but are considered part of the reporting entity as defined in section A of this note. The State has component units that fall into all four of the fund classifications mentioned above.

C. Basis of Accounting

These financial statements are reported in conformity with generally accepted accounting principles (GAAP) unless otherwise noted on the face of the statement or in the Notes to the Financial Statements. GAAP is promulgated for all fund types by the Governmental Accounting Standards Board (GASB) except for the Higher Education Funds, for which GAAP is promulgated by the National Association of College and University Business Officers (NACUBO). GAAP basis reporting differs considerably in some ways from the budgetary and cash basis accounting under which the State budgets and operates.

Under GAAP, the accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using the flow of current financial resources measurement focus. Under this focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases in expendable financial resources as revenues and other financing sources, and decreases as expenditures and other financing uses.

All proprietary funds, nonexpendable trust funds, and pension trust funds are accounted for on a flow of economic resources measurement focus. Under this focus, all assets and all liabilities associated with these funds are included on the balance sheet. Fund equity of proprietary funds is segregated into contributed capital and retained earnings components. Proprietary fund operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

The State has elected to exercise paragraph 6 of Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting." Statement 20, paragraph 6, requires that all proprietary activities should apply all applicable GASB pronouncements as well as any Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARBs) of the Committee on Accounting Procedure (CAP) issued on or before November 30, 1989, unless such FASB, APB, and CAP pronouncements conflict with or contradict GASB pronouncements. FASB pronouncements issued after November 30, 1989, even if they modify an applicable FASB, APB, or CAP pronouncement, are not applicable unless adopted by a GASB pronouncement.

All governmental funds and expendable trust funds are reported using the modified accrual basis of accounting. Agency funds are also accounted for on a modified accrual basis, but agency funds do not recognize revenues and expenditures. Under the modified accrual basis of accounting, recognition criteria is different for exchange and nonexchange transactions. For exchange and exchange-like transactions, revenues and related current assets are recognized when measurable and available to finance operations during the year or if available to liquidate liabilities existing at the end of the year. Therefore, in governmental funds, revenues and the resulting assets are accrued at year end only if the revenues are earned and the receivables are expected to be collected in time to pay for liabilities in existence at the end of the period. Expenditures are recognized when the related fund liability is incurred, except for items that are not expected to be liquidated with expendable available resources, such as the long-term portion of compensated absences payable and capital lease obligations. Therefore, expenditures and the related liabilities are accrued at year end only when they are normally payable from current expendable funds. In order to determine which revenues should be accrued, an arbitrary time limit is established. Revenues are recognized when measurable and available. The State uses sixty days after fiscal year end as the time limit for the accrual of revenues. For nonexchange transactions, revenues and expenditures and related assets and liabilities are recognized as required by GASB Statement 33. For income taxes, general sales taxes, utility taxes, insurance premium taxes, general use taxes, and other derived nonexchange transactions, receivables and revenues are recognized when the underlying exchange has occurred and the resources are available. For unemployment compensation taxes, property taxes, and other imposed nonexchange transactions, receivables are recognized when an enforceable legal claim

has arisen. Revenues are recognized when resources are required to be used or the first period that use is permitted and the resources are available. For property taxes, revenues are recognized if received within sixty days; otherwise a deferred revenue is recognized. For federal grants and other government mandated nonexchange revenues, assets, revenues, liabilities, and expenditures are recognized when all eligibility requirements have been met and (for revenues) resources are available.

Material accruals are for income taxes, general sales taxes, utility taxes, insurance premium taxes, general use taxes, unemployment compensation taxes, property taxes, federal grants, and interest.

Under GAAP, all proprietary funds, nonexpendable trust funds, and pension trust funds are accounted for on the accrual basis of accounting, which approximates the accounting used in private enterprises. Under the accrual basis, revenues are recognized when earned, and expenses are recognized when the liability is incurred for exchange and exchange-like transactions. For nonexchange transactions, revenues and expenditures and related assets and liabilities are recognized as required by GASB Statement 33. For derived nonexchange transactions, receivables and revenues are recognized when the underlying exchange has occurred. For imposed nonexchange transactions, receivables are recognized when an enforceable legal claim has arisen. Revenues are recognized when resources are required to be used or the first period that use is permitted. For government mandated nonexchange revenues, assets, revenues, liabilities, and expenditures are recognized when all eligibility requirements have been met and (for revenues) resources are available.

Higher Education Funds are generally reported using the accrual basis of accounting. However, revenues and expenditures of an academic term encompassing more than one fiscal year are reported solely in the fiscal year in which the program is predominantly conducted. Also, unconditional pledges of gifts are recorded as receivables and revenues when the higher education institution has met all eligibility requirements and the resources are measurable.

D. Fiscal Year

The State fiscal year ends on September 30. One component unit, the Alabama Space Science Exhibit Commission, has the power to set its own fiscal year (Code of Alabama 1975, Section 41-10-307 as amended). The Commission has set its fiscal year to end on the last Sunday in September in order to coordinate its accounting period with the weekly cycle of campers. The Commission's fiscal year for 2001 ended on September 30.

E. Cash and Cash Equivalents

Cash and Cash Equivalents, as reported on the financial statements, are under the control of the State Treasurer or other administrative bodies as determined by law. The cash in all funds operating from the State Treasury is pooled as treasury cash and invested by the State Treasurer. The Treasurer has statutory authority to invest treasury cash in demand accounts or time deposits-open account with any qualified public depository. The Treasurer can also invest up to twenty percent of treasury cash in securities and obligations of the U.S. Treasury or federal agencies for a period of time that may exceed one year. Cash equivalents in the State Treasury consist of short-term repurchase agreements and other allowable time deposits with an original maturity date of three months or less at the date of purchase. Commercial paper is reported as an investment regardless of the original maturity date. For funds operating outside the State Treasury, cash and cash equivalents generally include demand deposit accounts, petty cash accounts, and short-term, highly liquid investments with a maturity date of three months or less when purchased.

F. Interfund Transactions

The State accounts for each of the following types of interfund transactions: reimbursements, quasi-external transactions, residual equity transfers, operating transfers, advances, and distributions of revenues from agency funds. Any one of these transactions may result in the reporting of amounts Due To or From Other Funds, Primary Government, or Component Units as of the balance sheet date. Due To or From Other Funds is used only for transactions between two funds of the primary government.

Reimbursements occur when one fund makes an expenditure on behalf of another fund. Reimbursement transactions reduce expenditures in the reimbursed fund and increase them in the reimbursing fund. Quasi-external transactions involve charges for goods or services that one fund sells to another fund. Residual equity transfers are non-routine nonrecurring transfers of equity between funds. Operating transfers include all other interfund transactions such as legislatively appropriated transfers between funds and operating subsidies. Operating Transfers In/Out is used for transactions between two funds of the primary government. Operating Transfers from Primary Government is used as transfers into a component unit that came from the primary government. Operating Transfers from Component Units is used as transfers received in any fund or component unit that came from a component unit. Operating Transfers to

Primary Government is used for transfers out of a component unit to the primary government. Operating Transfers to Component Units is used as a transfer from any fund or component unit to a component unit. Advances are loans between funds and are generally long-term in nature. Distributions from agency funds reduce liabilities in the agency fund and increase revenues in the receiving fund.

G. Receivables

In governmental funds, the largest receivables are receivables for income taxes, general sales taxes, utility taxes, insurance premium taxes, general use taxes, unemployment compensation taxes and property taxes as required by GASB Statement 33.

The property tax calendar for the State is simple. The levy date, the assessment date, and the lien date are all the same date – October 1. On October 1, the assessed value of all property is multiplied by the applicable rates to levy the property tax. On that date, the state has a lien (a legal claim) against the property. The property tax is not due until October 1 the following year. The property tax is paid in arrears between October 1 and December 31. After December 31, it is delinquent.

The second largest receivables are amounts due from other governments, consisting almost entirely of grants and reimbursements due from the federal government where collectibility is reasonably assured. Accordingly, no allowance for uncollectible accounts has been established. Amounts due from local governments are not a significant portion of amounts due from other governments.

In governmental funds of the primary government, the State records no significant amount of Accounts Receivable because those types of revenues are generally not susceptible to accrual under the provisions of Amendment 26 to the State's constitution. Amendment 26 affects only those funds operating from the State Treasury under the control of the Comptroller, which includes most of the governmental funds of the primary government. Most of the Accounts Receivable on the balance sheet are recorded in the higher education discretely presented component units, which do not operate from the State Treasury and therefore are not restricted by Amendment 26. The amounts of higher education Accounts Receivable are reported net of any allowance for doubtful accounts. The primary government has minimal amounts of notes and leases receivable, as such agreements would constitute an illegal extension of credit by the State for any fund operating from the State Treasury. Interest and Dividends Receivable includes amounts earned on investments, notes, mortgages and loans receivable. The largest of these amounts are due to the pension funds operated by the Retirement Systems of Alabama.

Mortgages, Notes, and Loans Receivable consists primarily of loans made by the Alabama Housing Finance Authority. The mortgage loans of the Authority are carried at their unpaid principal balances less an allowance for loan losses. Also included in this category are student loans owed to the Alabama Higher Education Loan Corporation. The loans are reported net of an allowance for uncollectible loans.

Due From Other Governments as reported in the component units consist almost entirely of amounts owed by local governments. Most of the amount consists of loans made by the Alabama Water Pollution Control Authority.

H. Inventories

Inventories of supplies in governmental funds are reported at cost using the purchases method. An inventory asset account is reported on the balance sheet with an offset to Reserved for Inventory. Inventories of materials and supplies of proprietary funds are determined by both physical counts and through perpetual inventory systems and are valued at the lower of cost or market. Valuation methods used by the proprietary and governmental funds include first-in first-out, average cost, weighted average, and retail inventory method.

Surplus supplies, materials, and property from state agencies and the federal government are recorded as inventory at historical cost in two internal service funds. The market value of the inventory in the surplus property funds is significantly lower than the historical cost because of the age and condition of the items.

I. Investments

Investments as reported on the combined balance sheet include long-term investments. As required by GASB 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", most investments are recorded at fair value. Securities traded on national or international exchanges are valued at the last reported sales price at current exchange rates. Short-term investments are reported at cost, which approximates fair value. Mortgage-backed securities are reported based on future principal and interest payments discounted at the current interest rate for similar instruments. The fair value of real estate investments is based on independent appraisals. No investments are recorded at amortized cost.

J. Restricted Assets

Enterprise fund assets required to be held and/or used as specified in bond covenants have been recorded as "Restricted Assets". These assets consist primarily of U.S. Treasury obligations and certificates of deposit. Alabama State Port Authority, as required by bond covenants, maintains a balance in its debt service reserve fund equal to the debt service in any current or subsequent year. Alabama State Port Authority, as required, also maintains a replacement fund for annual or extraordinary repairs, construction, or acquisition of coal handling facilities. State Port Authority's restricted assets for 2001 includes $12,154,664 in cash and cash equivalents. The Space Science Exhibit Commission, a component unit, has restricted assets that represent the unspent portion of contributions that were restricted for specific purposes. The Commission's restricted assets for 2001 include $812,799 in cash and cash equivalents.

Most investments, cash, and accrued interest receivable of the Water Pollution Control Authority (WPCA) are restricted by bond indentures for debt service requirements. However, these assets are not presented on the balance sheet as restricted assets since the normal operations of WPCA is to issue bonds, loan the proceeds to municipalities and collect repayments to service the debt.

K. Fixed Assets

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in governmental funds, and the related assets are reported in the General Fixed Assets Account Group. All purchased fixed assets are valued at cost whenever the historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at the estimated fair market value on the date received. Interest expense incurred during the construction of capital assets is not capitalized in governmental and proprietary funds. However, Higher Education institutions are required to capitalize material amounts of interest expense during the construction of capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Public domain ("infrastructure") general fixed assets consisting primarily of roads and bridges are not capitalized because these assets are immovable and of value only to the State.

Assets in the General Fixed Assets Account Group are not depreciated. Fixed assets for component units reported under governmental fund types are also not depreciated. In those proprietary funds where depreciation expense has been recorded, the depreciation of buildings, equipment, and vehicles is computed using the straight-line method and other generally accepted methods over the estimated useful lives of the assets. The useful life varies greatly according to the needs of each fund, but most buildings use 20 to 30 years, and most equipment falls in the range of 3 to 10 years. Depreciation is not required of the institutions of higher education. However, Auburn University and the three campuses of the University of Alabama system (component units) have elected to record depreciation.

L. Compensated Absences

Employees in permanent positions accrue annual leave at a rate of four to nine hours bi-weekly, depending upon their length of service. Upon separation from service, an eligible employee is paid for the actual number of annual leave days he has earned, up to a maximum of 60 days, with the amount being computed on the basis of his daily pay rate at time of separation multiplied by the number of days leave due.

Sick leave is accrued at a rate of four hours bi-weekly. Employees may accumulate up to a maximum of 150 days sick leave. Employees may be compensated for one-half of the maximum accrued sick leave only upon retirement from state service. The employee must have 25 years of service or have attained the age of 60 and have 10 years of service to be eligible to retire. State Troopers must have 25 years of service or have attained the age of 52 and have 10 years of service to be eligible to retire. When a state employee in the classified service dies while in active service to the state, the estate of the deceased employee shall receive a monetary payment of fifty percent of the accrued and unused sick leave, not to exceed 600 hours, which the employee was credited with at the time of his or her death.

The monetary value of accumulated annual and sick leave payable upon termination or retirement is included on a statewide basis in the accompanying financial statements. In the governmental fund types, amounts to be paid from expendable available resources are recognized as current fund liabilities. Current liabilities were determined from actual termination or retirement payments made during the two months following the end of the fiscal year. Amounts not payable from expendable available resources (long-term liabilities) are reported in the General Long-Term Debt Account Group. All amounts related to the proprietary funds, pension trust funds, and higher education funds are recognized in those funds. The current portion of the

liabilities was determined using the same methodology used for governmental fund types.

The liability at September 30, 2001, was computed using salary rates effective at that date including the employer's share of social security and Medicare taxes payable and represents annual and sick leave earned up to the allowable ceilings. The sick leave is calculated separately for vested and nonvested employees. Sick leave is subjected to an actuarially determined probability multiplier that the employee will remain to retire and collect sick leave. The probability multipliers are as follows:

	Vested	Nonvested
Public Education Employees	.81	.49
State Employees	.71	.39

For the primary government, the total adjusted liability for annual and sick leave at September 30, 2001, was $231,084,000 of which $1,433,000 is reported in governmental funds, $196,768,000 is reported in the General Long-Term Debt Account Group, $9,577,000 is reported in Higher Education Funds, and $23,306,000 is reported in proprietary and pension funds. The component units had a liability of $83,215,000 making the total liability for the entire reporting entity $314,299,000. The liability for the colleges and universities (included in the component units), $61,714,000, is recognized in the higher education funds and has been computed using methodologies applied by each institution.

M. Long-Term Obligations

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

N. Fund Equity

Contributed capital is recorded in proprietary funds that have received capital grants and/or contributions. The capital grants and contributions are received primarily from the federal government or other state funds.

Reservations of fund equity indicate that a portion of the fund equity is not available for appropriation and expenditure or is legally segregated for a specific future use. Fund balance designations are established to indicate tentative plans for financial resource utilization in a future period. Such designations reflect managerial plans or intent as distinguished from legally required reserves.

O. Totals (Memorandum Only) Columns

Totals columns on the general purpose financial statements are captioned "Memorandum Only" to indicate that they are presented only for financial analysis. Data in these columns do not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

P. New Accounting Pronouncements

During the current fiscal year, the State implemented GASB Statement 33, "Accounting and Financial Reporting for Nonexchange Transactions". In addition, the State implemented GASB Statement 36, "Recipient Reporting for Certain Shared Nonexchange Revenues". The State also implemented GASB Interpretation 5, "Property Tax Revenue Recognition in Governmental Funds".

2 BUDGETARY ACCOUNTING AND REPORTING

A. Budgetary Process

Formulation of the budget begins with the preparation of estimates of expenditure requirements for the next fiscal year by the administrative head of each budgeted agency and institution. These estimates are submitted annually to the Executive Budget Office of the Finance Department on or before the first day of the third month preceding each regular session of the Legislature. The budget is prepared by program elements for each agency. Requested changes in programmatic expenditures over the prior fiscal year must be explained, and proposed capital expenditures must be justified as required by the Executive Budget Office.

The budget document, as finally developed by the Governor, is published and transmitted to the Legislature on or before the second legislative day of each regular session. For each agency, comparative summaries of appropriations and revenues are presented for the prior year, current year, the agency's request for the next year, and the Governor's recommendation for the next year. The recommended

appropriation bills indicate the programmatic appropriation to each agency and the source of funds from which each appropriation is to be paid. The Legislature then legally enacts the State budget into law through the passage of a number of bills as Appropriation Acts. The Legislature made supplemental appropriations to several departments during 2001, but none were material.

The Appropriation Acts budget by agency and program rather than by GAAP basis funds. The State funds its budgetary activities under three budgetary fund groups. The first is the General Fund, which includes many of the general operations of the three branches of government. The second is the Education Trust Fund (ETF), which is restricted to funding all levels of educational activity in the State. The third budgetary group is referred to in the budget documents as Earmarked Funds. The Earmarked Funds group includes the operations of most governmental funds of both the primary government and the component units, as well as portions of some proprietary and fiduciary operations.

The Appropriation Acts do not include a revenue budget. At the time of their passage, estimates prepared by legislative and executive branch professional staff assures the legislature that adequate revenues will be available to meet the level of appropriations approved. The Appropriation Acts specify that in addition to the appropriations made, all gifts, grants, or contributions in excess of the amount appropriated are automatically appropriated to be used for the purposes specified in the grant.

Numerous statutes exist which restrict the use of most state revenue sources to specific uses. The General Fund is funded by a wide variety of taxes, licenses, and interest income. The ETF is funded primarily by income taxes and sales taxes. The Earmarked Funds are generally funded by a combination of federal funds, local funds, and specific taxes and licenses. State law also requires that if revenues actually received are inadequate to fund the appropriations, then the appropriations must be prorated to the level that the revenues will support. For the Combined Statement of Revenues, Expenditures, and Other Changes in Fund Balances - Budget and Actual, the budgeted revenues consist of the amount of budgeted expenditures allocated among the revenue categories in proportion to the actual amounts received.

B. Budgetary Control

The legal level of control is the agency and program specified in the Appropriation Acts. For example, "Lab Analysis and Disease Control" and "Agricultural Inspection Services" are two programs within the agency Agriculture and Industries. Below this legal level of control, the professional management of the Finance Department, under the authority of the Governor's policy, exercises budgetary control at the fund and object level. Each agency must submit an operations plan detailing planned expenditures down to the object level, and then must follow that plan or explain why a change must be made. Allotments of appropriations are made quarterly based on the plans of operations submitted by the agencies. Beyond these additional policy constraints, agencies have full authority for administering their appropriations.

The Department of Finance enforces both the legal level and the professional management level of budgetary control through automated edits which must be complied with before making expenditures against an appropriation. A change between objects within appropriations for programs (financial management level) must have the approval of the Budget Officer and the Finance Director.

The Budget Management Act legally authorizes the transfer of appropriations between programs within an agency with the approval of the Governor. Any transfers approved by the governor must be reported to the Legislature. Transfers between agencies, but within the same program, may be made pursuant to interagency agreements executed for the purposes of accomplishing the objectives for which the Legislature made the appropriation. These interagency agreements must also be approved by the Governor. Under the Budget Management Act, the Governor cannot create new budget authority, he can only transfer existing authority.

Both the *Alabama Constitution* and the statutes require a balanced budget for annual financial operations. The Finance Department monitors revenue projections during the year to ensure that adequate funds will be available to meet budgeted expenditures. If cash collections do not meet budget projections, the Governor is required to prorate appropriations and restrict allotments to prevent an overdraft or budget deficit in any fiscal year. The General Fund was not prorated in 2001, but the Education Trust Fund was prorated by 6.2% in 2001.

C. Encumbrance Accounting

Encumbrances represent commitments related to unperformed contracts for goods and services. Encumbrance accounting is used as purchase orders are issued to insure that purchase orders plus expenditures do not exceed allotment balances. At fiscal year end this control becomes stricter, as purchase orders plus any other obligations or accounts payable incurred against fiscal year appropriations may not exceed allotment balances.

Encumbrances outstanding at year end in governmental funds are reported on the GAAP basis statements as a reservation of fund balance. Encumbrance balances are reported on the budgetary basis statements as expenditures.

D. Lapsing of Appropriations

All balances of non-capital outlay appropriations not reserved by encumbrances or accounts payable lapse at September 30 of each fiscal year. Furthermore, any appropriation balance not reserved by encumbrances lapses at November 30 following each fiscal year. Encumbrances remain valid for a period of one year following the end of the fiscal year. Balances of encumbrances are reported on the Combined Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual as expenditures. Capital outlay appropriations for the purchase of land, the construction of buildings, or for the maintenance of roads and bridges of the state highway system continue until the completion of the project.

E. Budgetary Basis of Accounting

The State budgets and operates primarily on the budgetary basis which approximates the cash basis with certain material exceptions. During the fiscal year, encumbrances, which represent obligations against current fiscal year appropriations, are accrued. At year end, fund balances are reserved to accrue expenditures for those outstanding encumbrances and estimated accounts payable. In compliance with Amendment 26 to the *Constitution*, the total reservation may not exceed the cash on hand in the State Treasury. Therefore, at year end, cash always exceeds obligations (encumbrances and estimated accounts payable). The Combined Statement of Revenues, Expenditures, and Other Changes in Fund Balances - Budget and Actual (Non-GAAP Basis) presents comparisons of the adopted budget with actual data on a budgetary basis. The budget excludes funds for all entities operating outside the State Treasury, certain distributive accounts such as those for making distributions to local governments, and most debt service accounts. Since the accounting principles used in the State's budgetary basis of accounting differ significantly from those used to present financial statements in conformity with GAAP, a reconciliation of the differences is presented on the statement. A Detail Schedule of Budget and Actual Expenditures appears in the Supplemental Schedules Section of the CAFR. This schedule provides detail information at the legal level of control for each individual appropriation item contained in the budget.

3 DEPOSITS AND INVESTMENTS

A. Deposits

The Treasurer has statutory authority to deposit treasury cash in demand accounts or time deposits - open account with any qualified public depository. The Treasurer may also invest up to twenty percent of treasury cash in securities and obligations of the U.S. Treasury or federal agencies for a period of time that may exceed one year. Funds may also be invested in obligations of the United States or its agencies under a repurchase agreement for a shorter period of time than the maturity date of the security.

Deposits of both the primary government and its component units are entirely insured by Federal depository insurance or insured under the Security for Alabama Funds Enhancement (SAFE) program. The *Code of Alabama 1975* requires all State organizations, including component units, to participate in the SAFE program. The SAFE program is a multiple financial institution collateral pool. The SAFE program requires all public funds to be deposited in a financial institution designated by the State Treasurer as a qualified public depository. Each qualified public depository is required to pledge collateral in accordance with the rules established by the SAFE Board of Directors. In the event that a qualified public depository defaults or becomes insolvent and the pledged collateral is insufficient to satisfy the claims of public depositors, the *Code of Alabama 1975*, Section 41-14A-9(3) authorizes the State Treasurer to make assessments against the other qualified public depositories in the pool so that there will be no loss of public funds.

B. Allowable Investments

Investments are made in accordance with the statutes creating the various agencies of the State of Alabama. The following describes the investments made by the major investing agencies of the State:

1. Primary Government

State Treasurer - The State Treasurer may legally invest state funds in repurchase agreements, obligations of the U.S. Treasury, federal land bank bonds, federal home loan bank notes and bonds, Federal National Mortgage Association

notes, and debentures or obligations guaranteed by the U.S. government.

Alabama Heritage Trust Fund (AHTF) and Alabama Trust Fund (ATF) – Investments are limited to those authorized by law for the Retirement Systems of Alabama. The investments authorized for the Retirement Systems are described later in the section entitled "Component Units".

Prepaid Affordable College Tuition Program (PACT) - Assets of PACT constitute public funds of the State and may be invested in any instrument, obligation, security or property that constitutes legal investments for investment of public funds in the State, including legal investments of the State Treasurer, the Alabama Trust Fund and Heritage Trust Fund that are deemed most appropriate by the PACT board and may be pooled for investment purposes with any other investment of the State which is eligible for asset pooling.

2. Component Units

Retirement Systems of Alabama (RSA) - The Retirement Systems of Alabama administers the Teachers' Retirement System, Employees' Retirement System, and Judicial Retirement Fund. RSA may invest in any types of investments that the Board of Control of each individual system approves. Each Board is limited only by the "Prudent Man Rule" which requires it to use due care, skill, prudence, and diligence under the prevailing circumstances that a prudent man acting in a like capacity and familiar with such matters would use in investing.

Alabama Water Pollution Control Authority (AWPCA) The AWPCA is authorized to invest in (a) any debt securities that are direct or general obligations of the U. S.; (b) any debt security unconditionally guaranteed (principal and interest) by the U. S.; and (c) repurchase agreements collateralized by securities of the type described in (a) and (b) above or with any registered broker/dealer subject to the Securities Investors' Protection Corporation jurisdiction or any commercial bank, if such broker/dealer or bank has an uninsured, unsecured, and unguaranteed obligation rated "Prime-1" or "A3" or better by Moody's Investor Service, Inc., and "A-1" or "A-" or better by Standard & Poor's Corporation.

Alabama Housing Finance Authority (AHFA) - The Authority is authorized to invest in bonds or other obligations issued or guaranteed by the U.S. Government, or any agency thereof, or the State of Alabama. In addition, the Authority may invest in interest-bearing bank and savings and loan association deposits, any obligations in which a State-chartered savings and loan association may invest its funds, any agreement to repurchase any of the foregoing, or any combination thereof. Each of the trust indentures established under the Authority's mortgage revenue bond programs contain further restrictions on the investment of non-expended bond proceeds; however, each trust indenture must be consistent with the Authority's authorizing legislation with respect to the definition of eligible investments. The Authority's program investments consist of Government National Mortgage Association (GNMA) or Federal National Mortgage Association (FNMA) pass-through certificates, all of which are pledged as security for the mortgage revenue bonds.

Other investments include unexpended bond proceeds, temporary and reserve funds established under the provisions of various trust indentures, and investments of the Authority's operating fund.

Deferred Compensation Plan RSA-1 – A deferred compensation plan is administered by the Retirement Systems of Alabama (RSA). The plan is named the Public Employees' Individual Retirement Account/Deferred Compensation Plan, and is commonly referred to as RSA-1. By law, RSA-1 investments are made under the same rules, regulations, conditions, and guidelines governing the RSA.

Higher Education Loan Corporation - The bond trust indentures authorize the Corporation to invest bond proceeds only in certain types of investments including, but not limited to: (1) direct obligations of, or obligations unconditionally guaranteed by, the United States government; (2) bank demand deposits and certificates of deposit insured by the Federal Deposit Insurance Corporation or fully secured by obligations with the same characteristics as those described in items (1) above or (3) below; (3) obligations of or guaranteed by any agency or instrumentality of the U. S. government; (4) obligations with the same characteristics as those described in items (1) and (3) above held by the Trustee under written agreement whereby a bank or trust company agrees to repurchase the obligations, providing that the market value of such obligations, as determined monthly, is always at least equal to the repurchase prices specified in the agreement; (5) money market funds consisting solely of securities similar to those described in items (1), (3), and (4) above; (6) guaranteed investment contracts and, (7) any other investments or obligations consented to by the bond insurance provider.

Investments Made by Colleges and Universities - The colleges and universities invest funds in accordance with the applicable limits set forth in the gift instruments, Board of Trustees guidelines, or other applicable laws. Certain bond

indentures require that the bond funds invest all amounts in federal securities or eligible certificates. In accordance with GASB 31, most investments are stated at fair value.

C. Securities Lending Program

The Teachers' Retirement System (TRS), the Employees' Retirement System (ERS), and the Judicial Retirement Fund (JRF) are authorized by the Boards of Control to participate in a securities lending program. The Systems' custodian, J P Morgan Chase and Company, administers the program. Certain securities from the TRS, ERS, and JRF are loaned to borrowers approved by the Systems. Approved borrowers of securities provide acceptable collateral in the form of cash, U.S. Treasury securities, or U.S. Government Agency securities. All security loans are open loans and can be terminated on demand by the TRS, ERS, JRF, or borrower. At the inception of each loan, collateral must be provided in the amount of 105% and 102% of the fair value of the loaned securities for international and U.S. equity securities, respectively. Subsequently, collateral for each loan is allowed to fluctuate between the initial required percentage and 100% of the fair value of the loaned securities. If the fair value of the collateral falls below 100% of the fair value of the loaned securities, additional collateral is required to restore the collateralized amount to the initial required collateralization. All collateral remains in the exclusive possession of the Systems' custodial agent who is responsible for marking the collateral to market each day and ensuring that the loaned securities are properly collateralized at all times. The TRS, ERS, and JRF cannot pledge or sell collateral securities received unless the borrower defaults. Therefore, securities lent that are collateralized by other securities are categorized in the investment credit risk table based on how the collateral received is held. The securities received as collateral are not categorized since these securities cannot be sold or pledged without borrower default.

Cash collateral is invested in a dedicated short-term investment fund in the respective Systems' name using investment guidelines provided by the TRS, ERS, and JRF. As a result, the securities purchased with cash collateral are categorized in the investment credit risk tables based on how they are held. The securities lent are included in the investment credit risk tables in the "Investments Not Categorized" section of the table. As of September 30, 2001, the cash collateral investments had a weighted-average maturity of eleven days for the TRS, nine days for the ERS, and three days for the JRF. Also, the average term of the loans was three days for the TRS, ERS, and JRF. There is no direct matching of the maturities of the loans with the investments made with cash collateral.

At September 30, 2001, the fair value of the securities on loan was $553,969 for the TRS, $224,693 for the ERS, and $5,566 for the JRF. The fair value of the collateral pledged by the borrowers was $562,638 for the TRS, $228,450 for the ERS, and $5,597 for the JRF. Since the amounts owed by the TRS, ERS and JRF to borrowers exceeded the amounts the borrowers owed to the TRS, ERS, and JRF, there was no credit risk exposure as of September 30, 2001. There were no significant violations of legal or contractual provisions, no borrower or lending agent default losses, and no recoveries of prior period losses during the year.

D. Mortgage-backed Securities

The Retirement Systems of Alabama periodically invests in mortgage-backed securities to improve yield and adjust the duration of the Systems' fixed income portfolio. These securities are subject to change in value due to changes in interest rates. Credit risk (the risk that counterparty might be unable to meet its obligations) results from the same considerations as other counterparty risk assumed by the Systems.

E. Investment Credit Risk

The tables on the following page summarize the carrying and fair value of the State's investments by type and categorizes the investments by level of credit risk as follows:

Category 1 - Insured or registered, or securities held by the State or its agent in the State's name.

Category 2 - Uninsured or unregistered, with securities held by the counterparty's trust department or agent in the State's name.

Category 3 - Uninsured or unregistered, with securities held by the counterparty, or its trust department or agent, but not in the State's name.

Investments not required to be categorized are presented "below the line," followed by reconciling items between this note and the total investments as shown on the balance sheet.

(Amounts in Thousands)

	Category			Carrying and
Primary Government	**1**	**2**	**3**	**Fair Value**
Commercial Paper	$ 27,385	$ 197,851	$ 63,987	$ 289,223
U S Government Guaranteed Securities	283,621	6,040	-	289,661
U S Agency Securities	355,337	2,221	-	357,558
International Securities	15,094	-	-	15,094
State and Local Government Securities	38,634	-	-	38,634
Mortgage-backed Securities	348,416	58,571	-	406,987
Corporate Bonds	719,023	8,379	-	727,402
Common and Preferred Stocks	443,141	7,219	-	450,360
Repurchase Agreements	4,484	92,604	712	97,800
Subtotals				2,672,719
Investments Not Categorized				
Real Estate and Mortgages				19,524
Mutual Funds				380,102
Private Placements				5,223
Total Primary Government	**$ 2,235,135**	**$ 372,885**	**$ 64,699**	**$ 3,077,568**
Component Units				
Commercial Paper	-	2,534	1,199,613	1,202,147
U S Government Guaranteed Securities	572,605	52,926	-	625,531
U S Agency Securities	2,000,997	7,117	49,994	2,058,108
International Securities	58,117	-	1,418,841	1,476,958
State and Local Government Securities	47,323	-	-	47,323
Mortgage-backed Securities	675,687	-	-	675,687
Corporate Bonds	3,478,427	-	-	3,478,427
Common and Preferred Stocks	8,221,894	-	-	8,221,894
Repurchase Agreements	94,296	167,111	110,104	371,511
University Pooled Investments	665,594	-	-	665,594
Subtotals				18,823,180
Investments Not Categorized				
Real Estate and Mortgages				1,136,079
Mutual Funds				710,869
Pooled Investments				308,765
Guaranteed Investment Contracts				194,289
Private Placements				5,420,424
Securities Lent Under Securities Lending for Cash Collateral				
U.S. Government Guaranteed Bonds				30,220
Domestic Corporate Bonds				74,634
Domestic Common Stock				457,040
International Stocks				198,168
Total Component Units	**$ 15,814,940**	**$ 229,688**	**$ 2,778,552**	**27,353,668**
Totals Reporting Entity				**$ 30,431,236**

Reconciliation to Balance Sheet	**Primary Government**	**Component Units**	**Total**
Investments Per Investment Note	$ 3,077,568	$ 27,353,668	$ 30,431,236
Certificates of Deposit †	69,030	84,688	153,718
Cash Equivalents †	(98,531)	(97,378)	(195,909)
Investments Classified as Restricted Assets	(17,198)	(172)	(17,370)
Securities Purchased with Sec. Lend. Collateral	-	(456,063)	(456,063)
Totals Investments Per Balance Sheet	**$ 3,030,869**	**$ 26,884,743**	**$ 29,915,612**

† Investment types not required to be presented in the investment credit note.

4 FIXED ASSETS

As of September 30, 2001, the fixed assets for the Primary Government and the Component Units are presented in the following table (expressed in thousands):

	PRIMARY GOVERNMENT				
	Enterprise Funds	Internal Service Funds	Trust & Agency Funds	General Fixed Assets Account Group	Higher Education
Land	$ 47,682	$ 545	$ 28,419	$ 56,674	$ 14,282
Buildings	138,295	166,068	190	714,912	458,321
Equipment	203,108	186,736	40	458,317	71,422
Construction in Progress	6,592	1,196	-	6,874	22,298
Other Fixed Assets	210,264	1,341	-	15,762	57,853
Total	605,941	355,886	28,649	1,252,539	624,176
Less: Accumulated Depreciation	(248,986)	(228,344)	(224)	-	-
Total Fixed Assets Per Balance Sheet	**$ 356,955**	**$ 127,542**	**$ 28,425**	**$ 1,252,539**	**$ 624,176**

	COMPONENT UNITS				
	Governmental Funds	Proprietary Funds	Fiduciary Funds	Higher Education	Total
Land	$ 10,401	$ 6,010	$ 1,190	$ 170,546	$ 188,147
Buildings	240,257	33,550	8,083	2,361,557	2,643,447
Equipment	21,704	33,170	3,887	879,105	937,866
Construction in Progress	-	276	-	53,764	54,040
Other Fixed Assets	897	19,460	-	263,559	283,916
Total	273,259	92,466	13,160	3,728,531	4,107,416
Less: Accumulated Depreciation	-	(42,723)	(7,694)	(1,041,414)	(1,091,831)
Total Fixed Assets Per Balance Sheet	**$ 273,259**	**$ 49,743**	**$ 5,466**	**$ 2,687,117**	**$ 3,015,585**

Changes in the general fixed assets account group by major classification for the year ended September 30, 2001, are presented in the following table (amounts in thousands):

	Balance October 1, 2000 as Previously Reported	Restatements	Additions	Reductions	Balance Sept. 30, 2001
Land	$ 58,385	$ 49	$ 925	$ 2,685	$ 56,674
Buildings	696,117	(49)	20,170	1,326	714,912
Equipment	444,779	(6,261)	59,188	39,389	458,317
Construction in Progress	16,133	-	2,868	12,127	6,874
Other Fixed Assets	10,605	3,795	1,510	148	15,762
Total General Fixed Assets	**$ 1,226,019**	**$ (2,466)**	**$ 84,661**	**$ 55,675**	**$ 1,252,539**

5 LONG-TERM DEBT

A. Debt Limitations and Methods of Bond Issuance

Under Section 213 of the Constitution of Alabama, as modified by Amendment 26, the State is constitutionally prohibited from incurring debt except to repel invasion or suppress insurrection. Therefore, the only method under which general obligation debt can be incurred is by amendment to the Constitution. Although conventions proposed by the legislature and approved by the electorate may be called for the purpose of amending the Constitution, historically all amendments have been adopted by a procedure which requires them to be proposed by a three-fifths majority of each house of the legislature and thereafter ratified by a majority of the electorate.

The Supreme Court of Alabama has ruled that the debt prohibition does not apply to debts incurred by separate public corporations functioning as State instrumentalities. The State has followed the practice of financing certain capital improvements by issuing debt through such public corporations. The Legislature (through enabling legislation) and the Governor (by executive order) have created public corporations and authorities of the State for the purpose of financing projects and programs such as public highways, public educational facilities, judicial buildings, student loans, affordable housing, and other projects. In most instances, State officials such as the Governor, Lieutenant Governor, Attorney General, State Treasurer, and the Director of Finance serve as board members of these corporations. The revenue bonds issued by these corporations are limited obligations of the corporation, not general obligations of the State, and the full faith and credit of the State is not pledged for their repayment. Certain revenues, usually earmarked taxes or revenues generated from the project financed, are pledged for the payment of the debt. Depending on the GASB criteria discussed in Note 1, some of these corporations are reported by blending them with the primary government and some are reported discretely.

The State and its component units issue serial and term bonds and capital appreciation bonds. Capital appreciation bonds are sold at a deep discount and do not pay any interest until the bonds mature. Based on the original offering price, the bonds increase in value as semi-annual interest is earned and is compounded from the original issuance date to the date of maturity. The issuance of this type bond postpones the cash flow until the bonds mature or are called. The increase in the value of the bonds is referred to as accretion.

B. General Obligation Bonds

The State has general obligation bond issues outstanding for the purpose of financing capital projects for: state waterways, State Port Authority's facilities, prisons, roads, bridges, mental hospitals, Mobile harbor, State parks, youth services facilities, state buildings, the State Coliseum, public schools and colleges, conservation projects, educational television, and diagnostic and research laboratories. The full faith and credit of the State is pledged for the payment of the bonds. The following schedule shows the general obligation annual debt service requirements and is followed by a detailed table describing each individual general obligation bond issue outstanding:

GENERAL OBLIGATION BONDS
Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
2002	$ 42,815,000	$ 19,063,685	$ 61,878,685
2003	46,035,000	15,587,209	61,622,209
2004	45,005,000	13,185,687	58,190,687
2005	47,100,000	10,871,128	57,971,128
2006	44,702,111	13,055,203	57,757,314
2007-2011	88,457,680	54,392,148	142,849,828
2012-2016	50,180,000	24,080,925	74,260,925
2017-2021	64,195,000	10,015,769	74,210,769
Total	**$ 428,489,791** †	**$ 160,251,754**	**$ 588,741,545**

† The liability reported on the balance sheet includes $4,568,082 for the accretion of interest on capital appreciation bonds. The above table shows interest in the year it is paid, not the year it is accrued.

GENERAL OBLIGATION BONDS PAYABLE

General Obligation Issue	Date Issued	Final Maturity Date	Interest Rates	Bonds Payable Sept. 30, 2001
1992 Waterway Refunding				
Series A, Coosa Waterway	02/01/92	12/01/02	5.3% to 5.7%	615,000
Series B, Tennessee-Tombigbee Waterway	02/01/92	12/01/02	5.3% to 5.7%	5,360,000
Series 1999				
Series A Refunding Bonds Maturing on October 1	07/15/99	10/01/07	4.6% to 5.5%	228,667,873 †
Series B Refunding Bonds Maturing on October 1	07/15/99	10/01/09	3.8% to 5.0%	13,215,000
Series 2001				
Series A - Agricultural Development	02/01/01	09/30/21	4.5% to 5.3%	57,700,000
Series B - Forensic Sciences	03/01/01	09/30/21	4.0% to 5.0%	17,500,000
Series C - State Parks System Improvement Corp.	06/01/01	09/30/21	3.8% to 5.5%	104,000,000
Series D - Public Historical Sites & Improvement Corp.	06/01/01	09/30/21	4.0% to 5.0%	6,000,000
Total General Obligation Bonds				**$ 433,057,873**

† The amount outstanding includes $4,568,082 accretion of interest.

C. Revenue Bonds

1. Primary Government - General Long-term Debt Account Group

ALABAMA INDUSTRIAL ACCESS ROAD AND BRIDGE AUTHORITY

The Alabama Industrial Access Road and Bridge Authority is authorized to issue bonds to finance the construction of industrial access roads and bridges in the state. Revenues from gasoline, motor fuel, and lubricating oil taxes are pledged for the payment of these bonds. The following schedule details the annual debt service funding requirements:

Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
2002	$ 3,860,000	$ 566,105	$ 4,426,105
2003	4,065,000	384,433	4,449,433
2004	2,420,000	187,835	2,607,835
2005	1,305,000	63,945	1,368,945
Total	**$ 11,650,000**	**$ 1,202,318**	**$ 12,852,318**

ALABAMA CORRECTIONS INSTITUTE FINANCE AUTHORITY

The Alabama Corrections Institution Finance Authority issues bonds for the purposes of acquiring land and constructing correctional institutions. The bonds are payable from revenues derived from payments under a lease agreement between the Authority and the Department of Corrections. The following schedule details the annual debt service funding requirements:

Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
2002	$ 4,755,000	$ 1,971,985	$ 6,726,985
2003	4,995,000	1,743,745	6,738,745
2004	5,250,000	1,498,990	6,748,990
2005	5,520,000	1,236,490	6,756,490
2006	5,810,000	954,970	6,764,970
2007-2011	8,000,000	2,432,375	10,432,375
2012-2013	3,870,000	322,300	4,192,300
Total	**$ 38,200,000**	**$ 10,160,855**	**$ 48,360,855**

ALABAMA JUDICIAL BUILDING AUTHORITY

The Alabama Judicial Building Authority issues bonds for the purpose of funding the acquisition and construction of judicial facilities. The bonds are payable from revenues and receipts paid by the Judicial System pursuant to the lease, proceeds of insurance in the event of damage or destruction of the facilities, amounts, if any, received in the event of condemnation of the facilities, amounts payable by AMBAC under the Municipal Bond Insurance Policy, and earnings, if any, on funds held by the State Treasurer. The following schedule details the annual debt service funding requirements:

Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
2002	$ 1,657,461	$ 2,316,959	$ 3,974,420
2003	1,533,663	2,436,707	3,970,370
2004	1,439,400	2,531,715	3,971,115
2005	3,700,000	276,055	3,976,055
2006	3,880,000	94,090	3,974,090
2007-2011	10,502,904	9,372,096	19,875,000
2012-2014	4,691,535	6,903,465	11,595,000
Total	**$27,404,963** †	**$23,931,087**	**$51,336,050**

† The liability reported on the balance sheet includes $9,350,933 for the accretion of interest on capital appreciation bonds. The above table shows interest in the year it will be paid, not the year it is accrued.

ALABAMA PUBLIC HEALTH CARE AUTHORITY

The Alabama Public Health Care Authority issues bonds for the purpose of funding the acquisition and construction of public health care facilities. Revenues received from leases with the county health departments, income from investments, real property, equipment, cash, securities, and a policy of municipal bond insurance are pledged for the payment of principal and interest on the bonds. The following schedule details the annual debt service funding requirements:

Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
2002	$ 530,000	$ 1,762,075	$ 2,292,075
2003	570,000	1,723,575	2,293,575
2004	610,000	1,682,275	2,292,275
2005	650,000	1,638,175	2,288,175
2006	695,000	1,595,965	2,290,965
2007-2011	4,090,000	7,358,648	11,448,648
2012-2016	5,415,000	5,983,250	11,398,250
2017-2021	7,245,000	4,097,750	11,342,750
2022-2026	9,700,000	1,572,500	11,272,500
Total	**$29,505,000**	**$ 27,414,213**	**$ 56,919,213**

The primary government revenue bond debt reported in the General Long-Term Debt Account Group appears below:

PRIMARY GOVERNMENT Revenue Bonds, General Long-Term Debt Account Group	Date Issued	Final Maturity Date	Interest Rates	Bonds Payable † Sept. 30, 2001
Alabama Industrial Access Road and Bridge Corporation				
Capital Improvement Bonds, Series 1993A	09/01/93	06/01/03	4.20% to 4.60%	$ 3,455,000
Capital Improvement Bonds, Series 1994	06/01/94	06/01/04	5.00% to 5.35%	3,350,000
Capital Improvement Bonds, Series 1995	08/01/95	06/01/05	4.55% to 4.90%	4,845,000
Alabama Corrections Institution Finance Authority				
Series 1993-A Refunding Bonds	08/01/93	04/01/06	4.50% to 5.20%	20,255,000
1993-B Serial Bonds	08/01/93	04/01/06	4.50% to 5.20%	6,075,000
1993-B Term Bonds	08/01/93	04/01/13	5.50% to 5.50%	11,870,000
Alabama Judicial Building Authority				
1990 Capital Appreciation Bonds	06/01/90	01/01/04	7.00% to 7.25%	9,480,769
Series 1996 Current Interest Bonds	12/01/96	01/01/06	4.20% to 4.85%	7,855,000
Series 1996 Capital Appreciation Bonds	12/01/96	01/01/14	5.15% to 5.75%	19,420,127
Alabama Public Health Care Authority				
Series 1996	05/15/96	10/01/25	5.20% to 7.00%	29,505,000
Total Primary Government Revenue Bonds Payable, General Long-Term Debt Account Group				**$ 116,110,896**

† Balance includes the accretion of interest on capital appreciation bonds in the amount of $5,125,245 for the Judicial Building Authority 1990 Capital Appreciation Bonds, and $4,225,688 for the 1996 Judicial Building Authority Capital Appreciation Bonds.

2. Primary Government – Proprietary Funds

MONTGOMERY DOWNTOWN REDEVELOPMENT AUTHORITY

The Montgomery Downtown Redevelopment Authority issued bonds to fund the construction of the Gordon Persons Building. Debt service is payable solely from the revenues and receipts paid pursuant to leases, proceeds of insurance in the event of damage or destruction of the building, amounts received in the event of condemnation of the building, amounts payable by MBIA under the Insurance Policy, amounts on deposit in the Reserve Fund held by the Trustee, earnings, if any on funds held by the Trustee, and funds received by the Trustee in the event of any foreclosure sale of the building. The following schedule details the annual debt service require ments:

Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
2002	$ 2,830,000	$ 3,111,778	$ 5,941,778
2003	2,980,000	2,965,038	5,945,038
2004	3,140,000	2,807,408	5,947,408
2005	3,320,000	2,637,788	5,957,788
2006	3,500,000	2,455,308	5,955,308
2007-2011	20,795,000	9,034,326	29,829,326
2012-2014	21,785,000	2,167,138	23,952,138
Total	**$ 58,350,000**	**$ 25,178,784**	**$ 83,528,784**

ALABAMA BUILDING RENOVATION FINANCE AUTHORITY

The Alabama Building Renovation Finance Authority issues bonds to provide funding for the renovation, reconstruction, operation, and maintenance of public office buildings in the state capitol complex. The Authority also receives income from the rental of the office buildings to state agencies. The bonds issued by the Authority are payable from the rents received by the authority under lease agreements. The following schedule details the annual debt service funding requirements:

Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
2002	$ 860,000	$ 1,955,979	$ 2,815,979
2003	895,000	1,919,859	2,814,859
2004	935,000	1,880,479	2,815,479
2005	975,000	1,838,871	2,813,871
2006	1,020,000	1,794,509	2,814,509
2007-2011	5,915,000	8,166,386	14,081,386
2012-2016	7,640,000	6,441,636	14,081,636
2017-2021	10,155,000	3,923,456	14,078,456
2022-2024	7,580,000	868,219	8,448,219
Total	35,975,000	**$ 28,789,394**	**$ 64,764,394**
Unamort Disc	(89,402)		
Unamort Loss	(985,043)		
	$ 34,900,555		

ALABAMA STATE PORT AUTHORITY

The Alabama State Port Authority (ASPA) issued bonds for the construction and maintenance of a wharf, warehouse, open storage area and other port facilities at Mobile Bay. The bonds are secured by the gross revenues of ASPA derived from charges made by ASPA for all services provided. The following schedule details the annual debt service funding requirements:

Debt Service Requirements to Maturity

Maturity †	Principal	Interest	Total
2002	$ 4,745,000	$ 10,348,178	$ 15,093,178
2003	5,005,000	10,087,203	15,092,203
2004	5,280,000	9,811,928	15,091,928
2005	5,575,000	9,521,528	15,096,528
2006	5,910,000	9,187,028	15,097,028
2007-2011	34,875,000	40,600,060	75,475,060
2012-2016	45,360,000	30,114,604	75,474,604
2017-2021	60,330,000	15,142,944	75,472,944
2022	14,310,000	787,050	15,097,050
Total	181,390,000	**$ 135,600,523**	**$ 316,990,523**
Unamort Disc	(4,397,251)		
	$ 176,992,749		

† Amounts are due on October 1, but historically are paid a few days prior to the end of the previous fiscal year (September 30). The above schedule reflects the debt in the year it is actually paid.

PRIMARY GOVERNMENT Revenue Bonds, Proprietary Funds	Date Issued	Final Maturity Date	Interest Rates	Bonds Payable Sept. 30, 2001
Montgomery Downtown Redevelopment Authority				
Series 1992	08/01/92	10/01/13	4.75% to 5.70%	$ 58,350,000
Alabama Building Renovation Finance Authority				
Serial Bonds, Series 1999	09/01/99	09/01/19	4.20% to 6.00%	23,990,000
Term Bonds, Series 1999	09/01/99	09/01/24	5.63% to 5.63%	11,985,000
Alabama State Port Authority				
Series 1996	03/01/96	10/01/21	6.10% to 6.30%	58,000,000
Series 1997	09/01/97	10/01/17	4.90% to 5.38%	34,665,000
Series 1998, Refunding Bonds	07/08/98	10/01/22	5.25% to 6.00%	88,725,000
Sub-total Revenue Bonds Payable, Proprietary Funds				275,715,000
§ Less: Unamortized Discounts				(4,486,653)
† Less: Unamortized Loss				(985,043)
Net Primary Government Revenue Bonds Payable, Proprietary Funds				**$270,243,304**

§ Unamortized discounts were $4,397,251 for Alabama State Port Authority and $89,402 for Alabama Building Renovation Finance Authority.

† Unamortized accounting loss for the Alabama Building Renovation Finance Authority.

3. Primary Government - Higher Education

The boards of the various two-year institutions of higher education which make up the Alabama College System have numerous bond issues outstanding for a variety of purposes. Most were issued for the construction, renovation, and acquisition of buildings for various purposes, including classrooms, research facilities, dormitories, student centers, dining facilities, hospitals, and athletic facilities. The total principal amount outstanding on these bonds is $102,878,239 for the Alabama College System and $3,115,000 for Athens State.

Debt Principal Requirements to Maturity

Maturity	Principal
2002	$ 5,071,786
2003	6,594,370
2004	6,817,083
2005	6,900,000
2006	7,250,000
Thereafter	73,360,000
Total	**$ 105,993,239**

4. Component Units - Governmental Funds

ALABAMA INCENTIVES FINANCE AUTHORITY

The Alabama Incentives Finance Authority issues bonds to fund financial commitments to industries relocating to Alabama under the terms of the State's Industrial Incentives legislation. Revenues from the Tennessee Valley Authority to the State "in lieu of taxes" are pledged for the payment of these bonds. At September 30, 2001, the outstanding principal balance of the 1995B bonds was $32,865,000 which included $2,865,000 in accreted interest, and the outstanding principal balance of the 1999C bonds was $41,475,000. The interest rates for the Series 1995B bonds and the Series 1999C bonds are variable and conditional depending on a variety of factors, therefore no schedule of debt service requirements to maturity is possible.

Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
2002	$ 1,000,000	$ 6,615,066	$ 7,615,066
2003	1,080,000	6,545,616	7,625,616
2004	1,155,000	6,469,319	7,624,319
2005	1,225,000	6,385,984	7,610,984
2006	1,315,000	6,294,893	7,609,893
2007-2011	8,155,000	29,825,846	37,980,846
2012-2016	11,660,000	26,123,405	37,783,405
2017-2021	16,815,000	20,687,926	37,502,926
2022-2026	23,765,000	13,426,731	37,191,731
2027-2030	25,625,000	3,764,948	29,389,948
Total	**$ 91,795,000**	**$ 126,139,734**	**$ 217,934,734**

ALABAMA PUBLIC SCHOOL AND COLLEGE AUTHORITY

The Alabama Public School and College Authority (APSCA) is authorized to issue bonds to construct and improve educational buildings. Revenue from the sales and use taxes, the leasing tax, and the utilities gross receipts and use taxes are pledged for the payment of these bonds. The following schedule details the annual debt service funding requirements:

Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
2002	$ 57,480,000	$ 70,860,049	$ 128,340,049
2003	60,345,000	66,983,399	127,328,399
2004	63,365,000	63,961,878	127,326,878
2005	66,415,000	60,900,299	127,315,299
2006	100,120,000	56,761,128	156,881,128
2007-2011	344,295,000	223,861,797	568,156,797
2012-2016	353,340,000	132,837,158	486,177,158
2017-2021	277,360,000	33,953,828	311,313,828
2022-2026	8,395,000	3,783,175	12,178,175
2026-2030	8,540,000	1,205,875	9,745,875
Total	**$ 1,339,655,000**	**$ 715,108,586**	**$ 2,054,763,586**

STATE INDUSTRIAL DEVELOPMENT AUTHORITY

State Industrial Development Authority issues bonds for the purpose of financing projects that promote the industrial development of the State. Revenues from cigarette and tobacco taxes are pledged for the payment of these bonds. The following schedule details the annual debt service funding requirements:

Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
2002	$ 2,470,000	$ 1,056,595	$ 3,526,595
2003	2,700,000	869,490	3,569,490
2004	2,800,000	730,540	3,530,540
2005	2,950,000	585,265	3,535,265
2006	3,050,000	459,265	3,509,265
2007-2010	7,830,000	549,590	8,379,590
Total	**$ 21,800,000**	**$ 4,250,745**	**$ 26,050,745**

ALABAMA MENTAL HEALTH FINANCE AUTHORITY

The Alabama Mental Health Finance Authority issues bonds for the acquisition, construction, improvement, and equipping of mental health facilities. Revenues from certain tobacco and liquor taxes are pledged for the payment of principal and interest on these bonds. The following schedule details the annual debt service funding requirements:

Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
2002	$ 4,895,000	$ 2,789,200	$ 7,684,200
2003	5,090,000	2,550,569	7,640,569
2004	5,400,000	2,302,431	7,702,431
2005	5,590,000	2,032,431	7,622,431
2006	5,975,000	1,752,931	7,727,931
2007-2011	21,915,000	4,231,788	26,146,788
2012-2015	5,755,000	812,350	6,567,350
Total	**$ 54,620,000**	**$ 16,471,700**	**$ 71,091,700**

ALABAMA 21st CENTURY AUTHORITY

The Alabama 21st Century Authority issues bonds for the purpose of promoting economic development and industrial recruitment for the State of Alabama The bonds are special obligations of the Authority payable solely from the Trust Estate created under the Indenture. The following schedule details the annual debt service funding requirements:

Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
2002	$ 1,460,000	$ 2,750,720	$ 4,210,720
2003	1,535,000	2,672,101	4,207,101
2004	1,615,000	2,589,414	4,204,414
2005	1,700,000	2,502,395	4,202,395
2006	1,790,000	2,411,903	4,201,903
2007-2011	10,415,000	10,553,646	20,968,646
2012-2016	13,490,000	7,348,328	20,838,328
2017-2021	17,995,000	2,710,363	20,705,363
Total	**$ 50,000,000**	**$ 33,538,870**	**$ 83,538,870**

TENNESSEE VALLEY EXHIBIT COMMISSION

The Tennessee Valley Exhibit Commission issued bonds for the purpose of funding the Tennessee Valley Exhibit Center. The full faith and credit of the State do not back these revenue bonds. The principal and interest requirements on these bonds are payable from the revenues of the Commission. If these revenues are insufficient, then the "in lieu of taxes" payments made to the State by the Tennessee Valley Authority are used to pay the debt. The following schedule details the annual debt service funding requirements:

Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
2002	$ 310,000	$ 189,250	$ 499,250
2003	330,000	170,340	500,340
2004	355,000	149,880	504,880
2005	375,000	127,515	502,515
2006	400,000	103,515	503,515
2007-2010	1,145,000	151,755	1,296,755
Total	**$ 2,915,000**	**$ 892,255**	**$ 3,807,255**

ALABAMA REVOLVING LOAN FUND AUTHORITY

The Alabama Revolving Loan Fund Authority issues bonds for the purpose of making grants to the Regional Planning and Development Commissions which are utilized by the grantees as revolving loan funds. Revenues from privilege and license tax on providers of cellular radio telecommunication services are used to pay the debt. The following schedule details the annual debt service funding requirements:

Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
2002	$ 270,000	$ 950,516	$ 1,220,516
2003	290,000	927,612	1,217,612
2004	315,000	902,868	1,217,868
2005	345,000	875,874	1,220,874
2006	370,000	846,630	1,216,630
2007-2011	2,395,000	3,699,201	6,094,201
2012-2016	3,610,000	2,487,947	6,097,947
2017-2020	4,160,000	715,341	4,875,341
Total	**$ 11,755,000**	**$ 11,405,989**	**$ 23,160,989**

COMPONENT UNITS **Revenue Bonds, Governmental Funds**	**Date Issued**	**Final Maturity Date**	**Interest Rates**	**Bonds Payable Sept. 30, 2001**
Alabama Incentives Finance Authority				
Series 1995-B	Sep-95	Conditional	Conditional	32,865,000
Series 1999-A	10/01/99	10/01/29	6.00% to 6.00%	23,970,000
Series 1999-B	10/01/99	10/01/29	6.25% to 7.88%	67,825,000
Series 1999-C	10/01/99	10/01/29	Variable	41,475,000
Alabama Public School and College Authority				
Refunding Bonds, Series 1993	03/01/93	12/01/05	4.30% to 5.00%	139,650,000
Refunding Bonds, Series 1993-A	10/01/93	08/01/06	4.10% to 6.00%	65,560,000
Series 1996	01/15/96	11/01/07	4.50% to 5.25%	177,325,000
Series 1998	11/01/98	11/01/18	4.25% to 5.25%	300,000,000
Series 1999-A	09/01/99	09/01/29	5.50% to 5.50%	18,360,000
Series 1999-B	09/01/99	09/01/09	7.10% to 7.15%	70,640,000
Series 1999-C	10/01/99	07/01/19	5.50% to 5.75%	250,000,000
Series 1999-D	11/01/99	08/01/19	5.00% to 6.00%	225,555,000
Capital Improvement Bonds, Series 2001A	05/15/01	02/01/21	4.50% to 5.63%	92,565,000
State Industrial Development Authority				
Capital Improvement Bonds, Series 1992	05/15/92	05/01/02	6.00% to 6.15%	1,610,000
Capital Improvement Bonds, Series 1993	11/01/93	11/01/03	4.40% to 5.00%	2,600,000
Special Tax Bonds, Series 1995	01/01/95	01/01/05	5.50% to 6.00%	3,800,000
Special Tax Bonds, Series 1998	02/01/98	02/01/08	4.00% to 4.30%	8,790,000
Special Tax Bonds, Series 2000	10/01/00	09/01/10	4.65% to 5.00%	5,000,000
Mental Health Finance Authority Bonds				
Series 1995	07/01/95	05/01/15	4.75% to 5.50%	54,620,000
Tennessee Valley Exhibit Commission				
Serial Refunding Bonds, Series 1992	06/01/92	06/01/05	5.90% to 6.40%	1,370,000
Term Refunding Bonds, Series 1992	06/01/92	06/01/10	6.70% to 6.70%	1,545,000
Alabama 21st Century Authority				
Tobacco Settlement Revenue Bonds, Series 2000	09/01/00	12/01/20	5.00% to 6.13%	50,000,000
Alabama Revolving Loan Fund Authority				
Series 2000	03/01/00	03/01/20	8.18% to 8.18%	11,755,000
Total Component Units Revenue Bonds, Governmental Funds				**$ 1,646,880,000**

5. Component Units - Proprietary Funds

ALABAMA HOUSING FINANCE AUTHORITY

The Alabama Housing Finance Authority issues bonds that are limited obligations of the Authority and are not a debt or liability of the State. Each bond issue is secured, as described in the applicable trust indenture, by all revenues, monies, investments, mortgage loans, and other assets in the funds and accounts of the program. Substantially all of the Authority's assets are pledged as security for the bonds. Principal payments on bonds after 2002 are scheduled as follows:

Debt Principal Requirements to Maturity

Maturity	Principal
2002	$ 19,926,000
2003	22,191,000
2004	42,371,000
2005	25,818,000
2006	23,648,000
2006-2038	978,753,000
Total	1,112,707,000
Unamort Disc	(1,000)
Net	**$ 1,112,706,000**

WATER POLLUTION CONTROL AUTHORITY

The Alabama Water Pollution Control Authority issues bonds to provide funds for the purpose of making loans to certain local government units to construct sewage treatment plants and related facilities. Proceeds from loan agreements are used for payment of debt service related to the bonds. The following schedule details the annual debt service funding requirements:

Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
2002	$ 22,420,000	$ 31,340,011	$ 53,760,011
2003	25,120,000	30,204,536	55,324,536
2004	25,680,000	28,905,270	54,585,270
2005	26,970,000	27,575,815	54,545,815
2006	28,480,000	26,154,076	54,634,076
2007-2011	163,815,000	106,243,497	270,058,497
2012-2016	170,610,000	57,065,443	227,675,443
2017-2021	96,165,000	17,963,525	114,128,525
2022-2023	23,705,000	1,400,337	25,105,337
Total	$582,965,000	**$326,852,510**	**$909,817,510**
Unamort Disc	(7,076,446)		
Unamort Loss	(4,756,348)		
Net	**$571,132,206**		

ALABAMA DRINKING WATER AUTHORITY

The Alabama Drinking Water Authority issues bonds to provide funds for the purpose of making loans to local governments for planning, designing, acquiring, or constructing sanitary drinking water and related facilities. Proceeds from the loan agreements are used for payment of debt service related to the bonds. The following schedule details the annual debt service funding requirements:

Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
2002	$ 1,930,000	$ 3,803,591	$ 5,733,591
2003	2,375,000	3,710,294	6,085,294
2004	2,470,000	3,596,386	6,066,386
2005	2,550,000	3,477,157	6,027,157
2006	2,655,000	3,353,614	6,008,614
2007-2011	14,945,000	14,697,990	29,642,990
2012-2016	16,370,000	10,495,989	26,865,989
2017-2021	18,355,000	4,810,688	23,165,688
2022-2023	10,730,000	407,606	11,137,606
Total	**$ 72,380,000**	**$ 48,353,315**	**$120,733,315**
Unamort Disc	(440,084)		
Net	**$ 71,939,916**		

ALABAMA SPACE SCIENCE EXHIBIT FINANCE AUTHORITY

The Alabama Space Science Exhibit Finance Authority issued bonds to finance the construction of the Space Camp and related housing facilities for the campers. The bonds are secured by a lease of the facilities to the Space Science Exhibit Commission as well as a pledge of all revenues of the Commission. The following schedule details the annual debt service funding requirements:

Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
2002	$ 10,715,000	$ 497,724	$ 11,212,724
2003	805,000	453,818	1,258,818
2004	850,000	406,275	1,256,275
2005	905,000	354,355	1,259,355
2006	975,000	298,720	1,273,720
2007-2011	4,135,000	641,843	4,776,843
Total	18,385,000	**$ 2,652,735**	**$ 21,037,735**
Unamort Disc	(52,699)		
Unamort Loss	(954,364)		
Net	**$ 17,377,937**		

ALABAMA HISTORIC IRONWORKS COMMISSION

The Governmental Utility Services Corporation of Jefferson County - Tannehill Historical State Park was created for the purpose of issuing bonds to acquire and construct a sanitary sewer system and related facilities for the Tannehill State Park, which is operated by the Alabama Historic Ironworks Commission (formerly Tannehill Furnace and Foundry Commission). Three members of the Alabama Historic Ironworks Commission serve as directors of the corporation. The Commission also issued a bond to cover the cost of improvements to the state park and other historic sites operated by the Commission. Revenues of Tannehill State Park are pledged for payment of all bond principal and interest. The following schedule details the annual debt service funding requirements:

Debt Principal Requirements to Maturity

Maturity	Principal †
2002	$ 25,000
2003	25,000
2004	15,246
Total	**$ 65,246**

† The Commission has issued both fixed and variable rate bonds, therefore the annual requirements for the payment of interest in future years is not available.

ALABAMA HIGHER EDUCATION LOAN CORPORATION

The Alabama Higher Education Loan Corporation issues bonds to provide Alabama lending institutions with a secondary market for student loans made under the Higher Education Act, which established the federal Guaranteed Student Loan Program. The corporation issues tax-exempt revenue bonds in order to fund its operations. The proceeds are used to purchase student loans and fund operating costs of the corporation. The bonds are repaid from principal repayments on student loans, interest, and special allowance payments from the U. S. Department of Education, interest income from investments, guarantee payments on defaulted loans, proceeds from any sale of loans, issuance of refunding bonds, and if necessary, by drawing on the corporation's irrevocable letters of credit. The following schedule details the annual debt service funding requirements:

Debt Principal Requirements to Maturity

Maturity	Principal †
2002	$ 370,000
2003	2,120,000
2004	18,275,000
2005	-
2006	-
2007-2033	43,400,000
Total	64,165,000
Unamort Disc	(11,422)
Net	**$ 64,153,578**

† The Corporation issues both fixed and variable rate bonds, therefore the annual requirements for payments of interest in future years is not available.

COMPONENT UNITS Revenue Bonds, Proprietary Funds	Date Issued	Final Maturity Date	Interest Rates	Bonds Payable Sept. 30, 2001	
Alabama Housing Finance Authority					
Single family Bond Programs	1982-2001	2013-2031	Various	$ 905,498,000	
Multi-family Bond Programs	1987-2001	2009-2038	Various	207,209,000	
Alabama Water Pollution Control Authority					
Revolving Fund Loan Bonds, Series 1991	08/01/91	08/15/14	6.25% to 6.70%	59,770,000	
Revolving Fund Loan Bonds, Series 1992-A	08/15/92	02/15/16	5.15% to 5.75%	56,605,000	
Revolving Fund Loan Bonds, Series 1992-B	12/01/92	08/15/15	5.05% to 6.00%	12,315,000	
Revolving Fund Loan Serial Bonds, Series 1993	11/01/93	08/15/16	4.40% to 5.60%	21,510,000	
Revolving Fund Loan Term Bonds, Series 1993	11/01/93	08/15/15	5.00% to 5.25%	29,860,000	
Revolving Fund Loan Bonds, Series 1994	12/01/94	08/15/17	5.85% to 6.95%	41,780,000	
Revolving Fund Loan Bonds, Series 1996-A	01/15/96	08/15/18	5.00% to 5.25%	38,250,000	
Revolving Fund Loan Bonds, Series 1996-B	11/01/96	08/15/20	5.25% to 5.50%	35,920,000	
1997 Refunding Bonds Maturing in August	10/01/97	08/15/12	4.50% to 5.00%	42,960,000	
1997 Refunding Bonds Maturing in February	10/01/97	02/15/13	4.50% to 5.00%	7,720,000	
Revolving Fund Loan Bonds, Series 1998-A	01/01/98	08/15/21	4.75% to 4.75%	56,350,000	
Revolving Fund Loan Bonds, Series 1998-B	12/01/98	08/15/21	4.25% to 5.00%	59,195,000	
Revolving Fund Loan Bonds, Series 1999	12/01/99	08/15/23	4.25% to 6.00%	59,465,000	
Revolving Fund Loan Bonds, Series 2000	12/01/00	08/15/23	4.30% to 5.75%	61,265,000	
Alabama Drinking Water Authority					
Revolving Fund Loan Bonds, Series 1998-A	09/01/98	08/15/22	4.00% to 4.85%	32,925,000	
Revolving Fund Loan Bonds, Series 2000-A	02/01/00	08/15/21	4.10% to 6.00%	8,295,000	
Revolving Fund Loan Bonds, Series 2000-B	02/01/00	08/15/21	8.35% to 8.35%	5,375,000	
Revolving Fund Loan Bonds, Series 2000-C	12/01/00	08/15/23	4.30% to 5.50%	25,785,000	
Alabama Space Science Finance Authority					
Space Camp Habitat	08/01/92	08/01/07	6.10% to 6.50%	1,805,000	
Refunding Bonds, Series 1995-A	12/01/95	12/01/06	5.00% to 5.90%	3,105,000	
Series 1995-B	12/01/95	12/01/10	6.25% to 6.25%	3,520,000	
Series 2001	01/24/01	10/01/22	Various	9,955,000	
Governmental Utility Services Corp of Jefferson County					
Tannehill Historical State Park, Series 1995	March 1995	June 2004	Various	65,246	
Higher Education Loan Corporation					
Student Loan Revenue Bonds, Series 1992-A	Feb 1992	Sept 2003	5.95% to 6.80%	2,120,000	
Student Loan Revenue Bonds, Series 1994-B	Apr 1994	Mar 2002	4.50% to 5.65%	370,000	
Student Loan Revenue Bonds, Series 1994-C	Apr 1994	Mar 2009	4.50% to 6.10%	13,485,000	
Student Loan Revenue Bonds, Series 1994-D	Apr 1994	Sept 2010	4.50% to 6.15%	23,190,000	
Student Loan Revenue Bonds, Series 1998-A	June 1998	Mar 2033	Various	25,000,000	
Sub-total Revenue Bonds Payable, Proprietary Funds				1,850,667,246	
Less: Unamortized Discounts				(7,581,651)	†
Less: Unamortized Loss on Defeasances				(5,710,712)	‡
Total Revenue Bonds Payable, Proprietary Funds				**$ 1,837,374,883**	

† Unamortized discounts were $11,422 for the Higher Education Loan Corporation, $1,000 for the Housing Finance Authority, $7,076,446 for the Water Pollution Control Authority, $440,084 for the Drinking Water Authority, and $52,699 for the Space Science Exhibit Commission.

‡ Unamortized loss on defeasance was $954,364 for the Alabama Space and Science Commission and $4,756,348 for the Water Pollution Control Authority.

6. Component Units - Higher Education

The boards of the various institutions of higher education have numerous bond issues outstanding for a variety of purposes. Most were issued for the construction, renovation, and acquisition of buildings for various purposes, including classrooms, research facilities, dormitories, student centers, dining facilities, hospitals, and athletic facilities. The following table shows the total principal outstanding by institution:

INSTITUTIONS OF HIGHER EDUCATION

Institution	Principal
University of Alabama - Tuscaloosa	$ 80,665,000
University of Alabama - Birmingham	555,831,507
University of Alabama - Huntsville	41,041,000
Alabama A&M University	64,770,000
Alabama State University	33,862,000
Auburn University	113,920,000
Jacksonville State University	14,085,000
University of West Alabama	4,056,000
University of Montevallo	7,611,000
University of North Alabama	14,015,000
University of South Alabama	101,976,322
Troy State University System	37,080,000
Marine Environmental Sciences Cons.	1,547,404
Total	**$ 1,070,460,233**

Debt Principal Requirements to Maturity

Maturity	Principal
2002	$ 37,623,323
2003	48,455,919
2004	48,560,998
2005	48,479,811
2006	50,571,965
Thereafter	881,409,386
	1,115,101,402
Unamortized Discount	(15,845,546)
Other †	(28,795,623)
Total	**$ 1,070,460,233**

† Annual maturity requirements include notes payable in the amount of $5,199,644 for the Univ. of Alabama at Tuscaloosa, $50,851 for the Univ. of Alabama at Huntsville, $242,343 for the University of North Alabama, and $22,821,625 additional maturity value on Series 1999 capital apprec. bonds for the Univ. of South Alabama.

D. Summary of Bonds Payable

Primary Government	
General Obligation Bonds	$ 433,057,873
Revenue Bonds - GLTDAG	116,110,896
Revenue Bonds - Proprietary Funds	270,243,304
Revenue Bonds Higher Education	105,993,239
Total Primary Government	**925,405,312**
Component Units	
Revenue Bonds - Governmental Funds	1,646,880,000
Revenue Bonds - Proprietary Funds	1,837,374,883
Revenue Bonds - Higher Education	1,070,460,233
Total Component Units	**4,554,715,116**
Total Reporting Entity	**$ 5,480,120,428**

E. Refunded and Redeemed Bonds

Advance refunding bonds are issued to retire existing bonds. A portion of the proceeds from the sale of the refunding bonds is deposited with an escrow agent according to an escrow trust agreement. The proceeds are invested by the escrow agent in certain U.S. Treasury obligations in such amounts with certain maturities to provide sufficient funds to pay the remaining maturing principal and interest on the refunded bonds as they become due. The refunded bond debt is considered to be retired for financial reporting purposes even though the debt is still legally outstanding and the issuer of the bonds has not been released from the debt obligations. The U.S. Treasury obligations constitute a trust fund to be held by the escrow agent for the benefit of the holders of the refunded bonds. Advance refundings and early redemptions are discussed in the remainder of this section.

In May 2001, Auburn University issued $19,460,000 Series 2001 General Fee Revenue Bonds which bear interest at 3.25% to 4.45%. The Series 2001 net proceeds were used to currently refund $18,350,000 of outstanding 1991 General Fee Revenue bonds. This current refunding resulted in an accounting loss of $967,958. The University has economic gain of $1,811,403.

The Alabama Space Science Exhibit Commission/Alabama Space Science Exhibit Finance Authority issued $9,955,000 Series 2001 variable rate term bonds. The net proceeds plus additional funds were used to retire the $11,900,000 1999 Certificates of Participation. The refunding resulted in a difference between the amount of refunding bonds and the

net carrying amount of the Certificates of $727,391. The difference is charged to operations through the year of final maturity date of the refunding bonds using the straight-line method. The refunding reduces total related budgeted debt service payment over 22 years by approximately $10,712,000 and obtains an economic gain of approximately $8,321,000.

During the year ended September 30, 2001, the Alabama Housing Finance Authority called approximately $128,582,000 of bonds in advance of their scheduled maturities. The extraordinary loss on early retirement of these bonds is $705,000 and is primarily comprised of unamortized deferred debt financing costs and unamortized discount.

DEFEASED BONDS

Primary Government	Principal
State Port Authority	
Seaport Facility Revenue Bonds	1,665,000
Component Units	
Housing Finance Authority	35,995,000
Auburn University	2,030,000
University of Alabama in Tuscaloosa	10,540,000
University of Alabama in Birmingham	145,000
University of South Alabama	13,170,000
University of North Alabama	2,395,000

F. Arbitrage

The Tax Reform Act of 1986 requires that governmental entities issuing tax-exempt debt subsequent to August, 1986, to calculate and rebate arbitrage earnings to the federal government. The U.S. Treasury has issued regulations on calculating the rebate amount and complying with the provisions of the Tax Reform Act of 1986. Governmental issuers must comply with the rebate regulations in order for their bonds to maintain tax-exempt status.

The regulations require the excess of the aggregate amount earned on investments purchased with bond proceeds over the amount that would have been earned if the proceeds were invested at a rate equal to the bond yield to be rebated to the federal government. Income earned on excess earnings is also subject to rebate. Rebate payments, if required, are due at least once every five years over the life of the bonds. Bond issues with arbitrage liabilities outstanding at September 30, 2001, were as follows:

Primary Government	Amount
Public Health Care Authority	
Series 1996	7,056
Component Units	
Alabama Public School and College Authority	
Series 1999-D	1,501,413
Water Pollution Control Authority	2,428,206
Drinking Water Finance Authority	542,008
Alabama Higher Education Loan Corp.	7,006,511

These lists are based upon incomplete data since some bond issues have not yet been included in arbitrage calculations. Any refunded bond issue is subject to the rebate requirement until the last bond is redeemed. Bond issues that have already been redeemed may be subject to additional payments if an arbitrage rebate or spending payment is owed and has not been paid.

G. Bonds Authorized But Not Issued

Bonds Authorized But Not Issued
(Amounts in Thousands)

Primary Government	Authorized	Issued	Unissued
General Obligation Bonds			
State of Alabama	$ 350,000	$ -	$ 350,000
Federal Aid Highway Finance Authority	212,000	64,000	148,000
Farmers Market Authority	10,000	-	10,000
Highway Authority	20,000	7,000	13,000
Corrections Institution Finance Authority	32,500	-	32,500
Public Health Finance Authority	45,000	30,000	15,000
Parking Deck Authority	13,000	-	13,000
Gulf State Park Authority	70,000	-	70,000
Total Primary Government	**682,500**	**101,000**	**581,500**
Component Units			
State Industrial Development Authority †	100,000	32,235	67,765
Mental Health Finance Authority	35,735	20,000	15,735
Alabama 21st Century Authority	103,760	-	103,760
Alabama Public School and College Authority	110,000	-	110,000
Total Component Units	**349,495**	**52,235**	**297,260**
Total Reporting Entity	**$ 1,031,995**	**$ 153,235**	**$ 878,760**

† The State Industrial Development Authority is authorized to issue a total of $100,000,000 in bonds in addition to any bonds authorized prior to 1991. No more than $40,000,000 in aggregate principal amount of such bonds may be outstanding at any one time. At 9/30/01, $23,395,000 was outstanding.

H. Forward Delivery Agreements

In September 1994, the Alabama Public School and College Authority (APSCA) and the Alabama Industrial Access Road and Bridge Authority (AIARBA) each entered into debt service forward delivery agreements with Merrill Lynch Capital Services, Inc. (MLCS). Under the agreements, the APSCA received $9,800,000 and the AIARBA received $1,084,841. In exchange for the above amounts, each Authority agreed to deposit one-sixth of the semi-annual interest and one-twelfth of the annual principal payable on certain bonds to MLCS each month. MCLS agreed in turn to deliver qualified securities that will mature on or before the bond payment dates. Because the interest that normally would be earned on these deposits belongs to the General Fund, the $10,884,841 paid by MLCS was deposited in the General Fund. The Forward Delivery Agreements are reported in the General Long-Term Debt Account Group as Other Liabilities. The Agreements are being amortized on a straight-line basis over twelve years. This amortization is reflected in the General Fund as debt service expenditure and interest revenue.

I. Claims and Judgments

A judgment was entered against the State in favor of Alabama State University and Alabama A&M University. The State must pay each University $1,000,000 for the next nine years. The amount outstanding of $18,000,000 is reported in the General Long-Term Debt Account Group as Other Liabilities.

J. Notes, Mortgages, and Capital Leases

Primary Government
General Long-Term Debt Account Group
Debt Principal Requirements to Maturity

Maturity	Principal
2002	$ 6,340,765
2003	4,656,387
2004	4,033,865
2005	3,787,913
2006	3,231,656
Thereafter	358,330
Total	22,408,916
Interest	(519,987)
Net	**$ 21,888,929**

Primary Government - Higher Education
Debt Principal Requirements to Maturity

Maturity	Principal
2002	$1,136,817
2003	981,571
2004	828,802
2005	715,410
2006	680,728
Thereafter	4,253,582
Total	**$8,596,910**

Primary Government
Proprietary and Similar Funds
Debt Principal Requirements to Maturity

Maturity	Principal
2002	$ 2,277,965
2003	2,119,859
2004	1,657,087
2005	683,276
2006	127,092
Thereafter	1,342,522
Total	8,207,801
Interest	(12,931)
Net	**$ 8,194,870**

Component Units
Proprietary and Similar Funds
Debt Principal Requirements to Maturity

Maturity	Principal
2002	$ 6,205,353
2003	2,385,536
2004	772,945
2005	440,000
2006	440,000
Thereafter	440,000
Total	$ 10,683,834
Interest	(30,665)
Net	**$ 10,653,169**

Component Units - Higher Education
Debt Principal Requirements to Maturity

Maturity	Principal
2002	$ 7,005,039
2003	6,579,979
2004	6,565,105
2005	3,788,221
2006	3,035,260
Thereafter	39,316,949
Total	66,290,553
Less Interest	(1,652,958)
Other †	8,586,071
Total	**$ 73,223,666**

† The annual maturity amounts do not include $1,626,424 notes payable for Auburn University, $5,680,804 notes payable for the Univ. of Al-Tuscaloosa, $242,343 notes payable for Univ. of North Al, $303,998 notes payable for Jacksonville State Univ. $50,851 mortgages payable for the Univ.of Al-Huntsville, and $681,651 mortgages payable for Alabama State University.

K. Changes in General-Long-Term Debt
(Amounts in Thousands)

	Revenue Bonds	General Obligation Bonds	Compensated Absences	Claims & Judgments	Capital Leases, Notes & Mortgages	Forward Delivery Agreement	Arbitrage	Total
Balance at October 1, 2000	**$ 126,129**	**$ 292,482**	**$ 183,138**	**$ 20,000**	**$ 21,224**	**$ 5,442**	**$ 510**	**$ 648,925**
Change in Estimated Liabilities	-	-	13,630	-	-	-	-	13,630
Accretion of Capital Appreciation Bonds	28	2,771	-	-	-	-	-	2,799
Capital Lease Payments	-	-	-	-	(2,062)	-	-	(2,062)
Capital Lease Acquisitions	-	-	-	-	25	-	-	25
Capital Lease Restatement	-	-	-	-	2,702	-	-	2,702
Bonds Issued	-	185,200	-	-	-	-	-	185,200
Bond Principal Retirements	(10,046)	(47,395)	-	-	-	-	-	(57,441)
Forward Delivery Agreement Amortization	-	-	-	-	-	(907)	-	(907)
Payments on Claims and Judgments	-	-	-	(2,000)	-	-	-	(2,000)
Changes in Arbitrage Liabilities	-	-	-	-	-	-	(503)	(503)
Balance at September 30, 2001	**$ 116,111**	**$ 433,058**	**$ 196,768**	**$ 18,000**	**$ 21,889**	**$ 4,535**	**$ 7**	**$ 790,368**

6 FUND EQUITY RESTATEMENTS, RESERVATIONS AND DEFICITS

A. Beginning Fund Equity Restatements

Fund balances as of October 1, 2000, have been restated for certain accounting changes necessary to conform to Generally Accepted Accounting Principles. The largest restatement resulted from the implementation of GASB Statement 33 "Accounting and Financial Reporting for Nonexchange Transactions". The Workers' Compensation Escrow Fund was reclassified from Expendable Trust to Agency, resulting in a decrease of $127,000 in the Trust and Agency beginning fund balance. A program of the Alcoholic Beverage Control Board was reclassified from Special Revenue to Enterprise, resulting in a change of $180,000 in those two fund types.

	General Fund	Special Revenue	Debt Service	Enterprise	Internal Service	Trust & Agency Funds	Higher Education	Component Units
Balances as Previously Reported at Sept. 30, 2000	**$ 87,853**	**$ 771,610**	**$ 8,670**	**$ 424,616**	**$ 257,524**	**$ 2,457,847**	**$ 700,884**	**$31,010,833**
Reclassifications		**(180)**		**180**		**(127)**		
Balance after Reclassifications	**$ 87,853**	**$ 771,430**	**$ 8,670**	**$ 424,796**	**$ 257,524**	**$ 2,457,720**	**$ 700,884**	**$31,010,833**
Prior Year Adjustments And Restatements For:								
Cash	-	(7,625)	-	(1,000)	-	-	-	100
Investments	-	(609)	-	-	-	8	-	766
Receivables	(1)	(25)	(453)	1	27	15,993	-	-
Fixed Assets/Accumulated Depreciation	-	-	-	2,979	703	(7)	-	(4,035)
Short-term Payables	2,000	(743)	-	-	-	(10)	-	5,484
Deferred Revenue	-	(5)	-	-	-	-	-	-
Amounts Held For Others	(197)	(1,018)	-	-	-	(3,513)	-	-
Other Higher Ed Adjustments	-	-	-	-	-	-	(5,201)	(1,350)
GASB 33	42,589	413,550	-	858	-	11,817	-	11,657
Total Restatements	44,391	403,525	(453)	2,838	730	24,288	(5,201)	12,622
Balances as Restated At October 1, 2000	**$ 132,244**	**$ 1,174,955**	**$ 8,217**	**$ 427,634**	**$ 258,254**	**$ 2,482,008**	**$ 695,683**	**$31,023,455**

B. Proprietary Funds – Changes in Contributed Capital

The primary government enterprise fund contributed capital increased by $103,000 for fixed assets donated to the Alcoholic Beverage Control Board. The primary government internal service fund contributed capital increased by $8,000 for fixed assets donated to the Service Division. The primary government internal service fund contributed capital increased by $460,000 for real estate donated to Risk Management. The real estate is now being held as an investment in Risk Management.

C. Fund Reservations and Designations
(Amounts in Thousands)

Retained Earnings, Reserved		
Internal Service Funds		
Surplus Property, Reserved for First Quarter Operations	$ 78	
Reserved for Highway Equipment Replacement	28,440	
Total Internal Service Funds		28,518
Component Units - Reserved for Housing Finance Authority Debt Service		81,326
Total Retained Earnings, Reserved		**$ 109,844**
Reserved for Specific Purposes		
Special Revenue Funds		
Reserved for Court Settlement, Transportation	34,585	
Reserved by Court Order for ADECA Energy Program	10,285	
Reserved for Donor Restrictions	33	
Total Special Revenue Funds		44,903
Nonexpendable Trust Funds - Reserved for Permanent Trust Capital		2,283,179
Higher Education Funds		4,114
Component Units		
Reserved for Permanent Trust Capital	10,807	
Higher Education Funds	1,123,537	
Total Component Units		1,134,344
Total Reserved for Specific Purposes		**$ 3,466,540**
Reserved for Employees' Pension Benefits		
Pension Trust Funds		23,465
Component Units		23,279,824
Total Reserved for Pension Benefits		**$ 23,303,289**
Unreserved, Designated Fund Balance		
Debt Service Funds - Designated for Debt Retirement		8,777
Capital Project Funds - Designated for Capital Projects		187,051
Higher Education		18,690
Component Units		
Designated for Historic Preservation	237	
Designated for Mental Health	47	
Designated for Capital Projects	10,958	
Designated for Debt Retirement	75,272	
Designated for Higher Education Purposes	221,479	
Total Component Units		307,993
Total Unreserved, Designated Fund Balance		**$ 522,511**

D. Fund Balance/Retained Earnings Deficits

The Alcoholic Beverage Control Board, an Enterprise Fund, had a deficit in retained earnings of $4,930,000 at September 30, 2001, causing a deficit in total fund equity of $4,827,000. The deficits are largely due to the accrual of liabilities for compensated absences and salaries payable. The Board, by law, operates on a cash basis and is required to distribute 100% of its earnings.

The Building Renovation Finance Authority, an Internal Service Fund, had a deficit in retained earnings of $11,466,000 at September 30, 2001, causing a deficit in total fund equity of $11,444,000. The fund's major assets are buildings, which have depreciated values that are less than the long-term debt associated with them.

The Alabama Space Science Exhibit Commission, an Enterprise Fund, had a small deficit in unreserved, undesignated fund balance of $1,195,000, and the overall total fund balance is a positive $16,094,000 due to a large contributed capital.

The Revenue Administrative Special Revenue Fund had a deficit in unreserved, undesignated fund balance of $2,359,000, and the overall total fund balance is a negative $1,557,000. The accrual of salaries payable, which will be paid for with next year's revenues, is the major cause of this deficit.

7 INTERFUND ACTIVITY

Interfund Receivables/Payables and Transfers

Interfund receivables/payables between funds of the primary government are reported as Due To/From Other Funds. Interfund receivables/payables between funds of component units are reported as Due To/From Component Units. Interfund receivables/payables which cross between the primary government and component units are reported as Due To/From Component Units or Due To/From Primary Government.

Interfund transfers between funds of the primary government are reported as Operating Transfers In/Out. Interfund transfers between funds of component units are reported as Operating Transfers To/From Component Units. Interfund transfers which cross between the primary government and component units are reported as Operating Transfers T/From Primary Government or Operating Transfers To/From Component Units. A summary of interfund receivables, payables, and transfers are presented in the following two tables:

(Amounts in Thousands)

	DUE FROM		DUE TO	
	Other Funds	Component Units	Other Funds	Component Units
PRIMARY GOVERNMENT				
General Fund	5,707	-	3,458	87
Special Revenue Funds				
Education Trust Fund	3,599	-	672	11
Public Road & Bridge Fund	10	500	479	163
Medicaid	2,470	64	2,474	11,094
Human Resources	7,342	-	6,354	43
Education Department	569	-	545	-
Economic and Community Affairs	730	-	22	2
Corrections	1,356	-	145	-
Public Health	2,861	-	1,360	2
Revenues Allocated to Local Governments	659	-	-	-
Children First Trust	-	-	727	163
Other Special Revenue Funds	3,894	49	7,309	5
Total Special Revenue Funds	**23,490**	**613**	**20,087**	**11,483**
Debt Service Funds				
Public Health Care Authority Debt	-	-	169	-
Total Debt Service Funds	**0**	**0**	**169**	**0**
Enterprise Funds				
Alcoholic Beverage Control Board	68	-	10,222	3,402
State Parks	4	-	25	-
Prepaid Affordable College Tuition	45	-	52	-
Local Government Employees' Health Insurance	-	-	9	4
Alabama Health Insurance Plan	-	-	11	-
Other Enterprise Funds	-	-	80	-
Total Enterprise Funds	**117**	**0**	**10,399**	**3,406**
Internal Service Funds				
Information Services Fund	5,269	274	159	-
Telecommunications Fund	1,957	60	1,510	10
Service Division Funds	1,234	47	52	-
Printing & Publications	992	67	31	-
State Employees Health Insurance	946	2	198	4
Correctional Industries and Farms	847	7	170	-
State and Federal Surplus Property	8	-	32	-
Building Renovation Finance Authority	520	-	64	-
Public Road and Bridge Internal Service	285	-	91	1
Risk Management	337	126	1,093	-
Other Internal Service Funds	371	-	56	-
Total Internal Service Funds	**12,766**	**583**	**3,456**	**15**
Expendable Trust Funds				
Abandoned Property	-	-	22	-
Total Expendable Trust Funds	**0**	**0**	**22**	**0**
Nonexpendable Trust Funds				
Other Nonexpendable Trusts	-	-	1	-
Total Nonexpendable Trust Funds	**0**	**0**	**1**	**0**
Pension Trust Funds				
Peace Officers Annuity and Benefits	-	-	1	-
Total Pension Trust Funds	**0**	**0**	**1**	**0**

(Amounts in Thousands)

	DUE FROM		DUE TO	
	Other Funds	Component Units	Other Funds	Component Units
Agency Funds				
State Taxes	461	-	6,057	-
Taxes Collected For Local Governments	1,134	-	27	-
Payroll	2	-	2	-
Other Agency Funds	2	-	-	-
Total Agency Funds	**1,599**	**0**	**6,086**	**0**
Higher Education Funds				
Current-Unrestricted General	10,021	-	1,419	-
Current-Unrestricted Auxiliary	112	-	754	-
Current-Restricted	83	-	8,910	-
Loan Funds	10	-	15	-
Endowment And Similar Funds	-	-	3	-
Plant Funds - Unexpended	1,276	-	214	-
Plant Funds-Renewals & Replacements	591	-	80	-
Retirement Of Indebtedness	-	-	689	-
Agency Funds	32	-	41	-
Total Higher Education Funds	**12,125**	**0**	**12,125**	**0**
TOTAL PRIMARY GOVERNMENT	**$ 55,804**	**$ 1,196**	**$ 55,804**	**$ 14,991**

	DUE FROM		DUE TO	
COMPONENT UNITS	Component Units	Primary Government	Component Units	Primary Government
Governmental Funds				
Mental Health	-	14,734	-	584
Historical Commission	-	163	-	52
Tennessee Valley Exhibit Commission	-	46	-	-
Twenty-first Century Authority	-	-	-	500
Other Governmental Funds	-	38	-	-
Total Governmental Funds	**0**	**14,981**	**0**	**1,136**
Proprietary Funds				
Water Pollution Control Authority	139	-	1,255	-
Supercomputer Authority	-	1	-	1
Drinking Water Finance Authority	1,116	-	-	10
Total Proprietary Funds	**1,255**	**1**	**1,255**	**11**
Fiduciary Funds				
Employees' Retirement System	-	9	11	24
Teachers' Retirement System	11	-	-	14
Crime Victims Compensation Commission	-	-	-	11
Total Fiduciary Funds	**11**	**9**	**11**	**49**
Higher Education				
University of Alabama	13,857	-	13,857	-
Alabama Agricultural and Mechanical University	20	-	20	-
Alabama State University	6,949	-	6,949	-
Auburn University	606	-	606	-
Jacksonville State University	66	-	66	-
University of Montevallo	136	-	136	-
University of South Alabama	1,427	-	1,427	-
Troy State University	11,911	-	11,911	-
Alabama Institute for the Deaf and Blind	105	-	105	-
Total Higher Education	**35,077**	**0**	**35,077**	**0**
TOTAL COMPONENT UNITS	**$ 36,343**	**$ 14,991**	**$ 36,343**	**$ 1,196**

(Amounts in Thousands)

	OPERATING TRANSFERS In	OPERATING TRANSFERS From Component Units	OPERATING TRANSFERS Out	OPERATING TRANSFERS To Component Units
PRIMARY GOVERNMENT				
General Fund	187,656	2,590	157,614	95,608
Special Revenue Funds				
Education Trust Fund	4,357	6,543	267,559	856,898
Public Road & Bridge Fund	662	-	12,982	-
Medicaid	7	60,273	86	-
Human Resources	76,768	-	13,270	447
Public School Fund	594	-	-	20,268
Education Department	4,826	-	-	-
Economic and Community Affairs	7,271	-	3,633	-
Corrections	949	-	6,584	-
Public Health	16,258	-	237	-
Revenues Allocated to Local Governments	409	-	-	-
Children First Trust	-	55,347	103	510
Other Special Revenue Funds	106,443	1,881	31,560	3
Total Special Revenue Funds	**218,544**	**124,044**	**336,014**	**878,126**
Debt Service Funds				
Industrial Access Road & Bridge Authority	3,391	-	-	-
Corrections Institution Finance Authority	6,584	-	-	-
Public Health Care Authority Debt	-	-	277	-
Total Debt Service Funds	**9,975**	**0**	**277**	**0**
Capital Projects Funds				
Industrial Access Road and Bridge Authority	-	-	78	-
General Obligation Bond Projects	17,231	-	17,231	-
Total Capital Projects Funds	**17,231**	**0**	**17,309**	**0**
Enterprise Funds				
Alcoholic Beverage Control Board	-	-	18,734	-
State Parks	4,233	-	2,124	-
State Port Authority	-	-	48	-
Local Government Employees' Health Insurance	-	-	848	-
Other Enterprise Funds	132	-	1,083	-
Total Enterprise Funds	**4,365**	**0**	**22,837**	**0**
Internal Service Funds				
Information Services Fund	-	-	19	-
Telecommunications Fund	4,541	-	9	-
Service Division Funds	-	-	5	-
Printing & Publications	-	-	11	-
State Employees Health Insurance	848	-	276	-
Public Education Employee Health Insurance	-	-	3	-
Correctional Industries and Farms	2,429	-	19	-
State and Federal Surplus Property	366	-	156	-
Building Renovation Finance Authority	3,494	-	442	-
Public Road and Bridge Internal Service	886	-	-	-
Risk Management	-	-	4	-
Other Internal Service Funds	-	282	2	-
Total Internal Service Funds	**12,564**	**282**	**946**	**0**

(Amounts in Thousands)

	OPERATING TRANSFERS In	OPERATING TRANSFERS From Component Units	OPERATING TRANSFERS Out	OPERATING TRANSFERS To Component Units
Expendable Trust Funds				
Unemployment Compensation Trust	-	-	8,438	-
Abandoned Property	-	-	15,040	-
Forever Wild Land Trust	9,077	-	1,926	-
Flexible Employees' Benefits	270	-	-	-
Total Expendable Trust Funds	**9,347**	**0**	**25,404**	**0**
Nonexpendable Trust Funds				
Heritage Trust Fund	-	-	52,776	-
Alabama Trust Fund	1,651	-	90,767	-
Other Nonexpendable Trusts	331	407	1,355	-
Total Nonexpendable Trust Funds	**1,982**	**407**	**144,898**	**0**
Pension Trust Funds				
Peace Officers Annuity and Benefits	3,781	-	3,781	-
Total Pension Trust Funds	**3,781**	**0**	**3,781**	**0**
Higher Education Funds				
Current-Unrestricted General	243,635	-	-	-
Total Higher Education Funds	**243,635**	**0**	**0**	**0**
TOTAL PRIMARY GOVERNMENT	**$ 709,080**	**$ 127,323**	**$ 709,080**	**$ 973,734**

COMPONENT UNITS	OPERATING TRANSFERS From Component Units	OPERATING TRANSFERS From Primary Government	OPERATING TRANSFERS To Component Units	OPERATING TRANSFERS To Primary Government
Pension Funds				
Employees' Retirement System	1,370	-	2,695	-
Teachers' Retirement System	2,531	-	1,206	32
Total Pension Funds	**3,901**	**0**	**3,901**	**32**
Governmental Funds				
Mental Health	121,512	108,837	121,512	737
Public School and College Authority	15,731	20,268	15,731	7,111
State Industrial Development Authority	18	-	18	282
Historical Commission	500	4,984	-	16
Tennessee Valley Exhibit Commission	-	113	-	-
Incentives Finance Authority	327	-	327	-
Twenty-first Century Authority	18,022	-	18,022	118,527
Other Governmental Funds	-	386	-	-
Crime Victims Compensation Commission	-	-	-	2
Total Governmental Funds	**156,110**	**134,588**	**155,610**	**126,675**
Proprietary Funds				
Water Pollution Control Authority	479	725	12,909	606
Space Science Exhibit Commission	-	375	-	-
Supercomputer Authority	-	3,851	-	-
Historic Ironworks Commission	-	386	-	-
Music Hall of Fame	-	382	-	-
Drinking Water Finance Authority	12,909	-	479	10
Historical Commission	-	-	500	-
Total Proprietary Funds	**13,388**	**5,719**	**13,888**	**616**

(Amounts in Thousands)

	OPERATING TRANSFERS		OPERATING TRANSFERS	
	From Component Units	From Primary Government	To Component Units	To Primary Government
Higher Education				
University of Alabama	-	359,559	-	-
Alabama Agricultural and Mechanical University	-	30,421	-	-
Alabama State University	-	28,445	-	-
Auburn University	-	194,843	-	-
Jacksonville State University	-	27,547	-	-
University of West Alabama	-	8,880	-	-
University of Montevallo	-	14,544	-	-
University of North Alabama	-	20,431	-	-
University of South Alabama	-	78,704	-	-
Troy State University	-	34,034	-	-
Alabama Institute for the Deaf and Blind	-	33,404	-	-
Marine Environmenal Sciences Consortium	-	2,615	-	-
Total Higher Education	**0**	**833,427**	**0**	**0**
TOTAL COMPONENT UNITS	**$ 173,399**	**$ 973,734**	**$ 173,399**	**$ 127,323**

8 RISK MANAGEMENT

The State manages risk through risk control and risk financing to minimize the adverse effects of certain types of losses. Risk financing includes self-insurance through several different funds. The State Insurance Fund provides coverage for state buildings and contents against fire and casualty losses. The General Liability Trust Fund insures state employees against the risk of loss from employment-related liability claims. The State Employee Injury Compensation Trust Fund was created by the 1994 legislature to provide benefits to eligible state employees for job-incurred injury. The State Insurance Fund, the General Liability Trust Fund and the State Employee Injury Compensation Trust Fund are administered by the Division of Risk Management of the Department of Finance.

There was no significant reduction in insurance coverage by the three Division of Risk Management funds from the prior year. These funds do not have acquisition costs; therefore, no cost is amortized for the period. The funds use the accrual basis of accounting for reporting purposes. During fiscal year 1998, the Finance Department implemented GASB 31 "Accounting and Financial Reporting for Certain Investments and External Investment Pools." As required by GASB 31, most investments are now recorded at fair value. Liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors. Estimated claims liabilities are calculated by the plans' actuary based on prior claims data for the General Liability Trust Fund and State Employee Injury Compensation Trust Fund. For the State Insurance Fund, estimated claims liabilities are based on management's judgement.

The separately issued financial report of the Division of Risk Management contains additional note disclosures and supplementary information regarding claims development and liabilities.

A. The State Insurance Fund

The State Insurance Fund (SIF) was established in 1923 under *Code of Alabama 1975*, Section 41-15-1 for the purpose of insuring direct physical loss on buildings and contents in which title in whole or in part is vested in the State of Alabama or any of its agencies or institutions or in which funds provided by the State have been used for the purchase of the land, construction of the building, purchase or maintenance of any equipment, machinery, furniture, fixtures or supplies in such buildings and public school buildings together with the contents of all such buildings. All covered property shall be insured for no more than its replacement cost and shall be insured for no less than 80 percent of its actual cash value. City or county boards of education or district boards of education of independent school districts may insure school buildings and property either in the state insurance fund or with an insurance company, whichever in the opinion of such board provides the best coverage for such school buildings and property. The principles of private industry insurance companies are utilized to establish rates, premium discounts, and experience credits to result in equitable premiums charged to policyholders. Excess insurance and reinsurance is acquired to assure the solvency of the fund while providing additional coverage such as earthquake and flood insurance.

The SIF has a $7,500,000 annual deductible and a $2,500,000 deductible per occurrence on claims. Excess insurance covers claims exceeding $7,500,000 with a $750,000,000 limit. Settlements for 2001 exceeded the SIF's deductibles by $66,621. Settlements did not exceed the deductible amounts in fiscal years 1999 and 2000.

The following table presents the changes in claims liabilities for the past two years:

	2001	2000
Reported claims payable & estimated claims incurred but not reported at the beginning of year	$ 7,007,189	$ 6,169,691
Incurred Claims:		
Provision for insured events of the current year	6,092,020	2,698,871
Increase (decrease) in provision for insured events of prior years	4,605,726	3,458,609
Total incurred claims and claim adjustment expenses	10,697,746	6,157,480
Payments:		
Claims and claim adjustment expenses attributable to insured events of the current year	4,302,954	2,325,861
Claims and claim adjustment expenses attributable to insured events of the prior year	5,386,873	2,994,121
Total Payments	9,689,827	5,319,982
Reported claims payable and estimated claims payable incurred but not reported at end of year	$ 8,015,108	$ 7,007,189

B. General Liability Trust Fund

The General Liability Trust Fund (GLTF) was established in 1984 to protect state employees from personal financial liability resulting from lawsuits that are based on alleged negligence while acting within the line and scope of state employment. Claims are investigated and defended through the Office of Attorney General. Auto liability is fully reinsured and the reinsurer, American Southern Insurance Company, handles all claims. The GLTF is managed much like a commercial insurance company, with exposure evaluated and commensurate premiums assigned to state agencies. Investment activities are an essential part of the General Liability Trust Fund financial stability to maintain lower costs employee liability coverage. Funds in excess of those needed for immediate operations will be invested to maximize return and keep premiums down.

The GLTF has a $3,300,000 deductible on claims. Settlements did not exceed this deductible in fiscal year 1999 nor fiscal year 2000. Settlements for 2001 exceeded the deductible by $2,040,194.

The following table presents the changes in claims liabilities for the past two years:

	2001	2000
Reported claims payable and estimated claims incurred but not reported at the beginning of year	$ 13,830,071	$ 14,161,985
Incurred Claims:		
Provision for insured events of the current year	775,433	448,661
Increase (decrease) in provision for insured events of prior years	6,043,223	2,147,109
Total claims and claims adjustment expenses	6,818,656	2,595,770
Payments:		
Claims and claims adjustment expenses attributable to insured events of the current year	15,193	447,824
Claims and claims adjustment expenses attributable to insured events of the prior year	3,896,814	2,479,860
Total Payments	3,912,007	2,927,684
Reported claims payable and estimated claims payable incurred but not reported at end of year	$ 16,736,720	$ 13,830,071

C. State Employee Injury Compensation Trust Fund

The State Employee Injury Compensation Trust Fund (SEICTF) was created by the 1994 legislature effective October 1, 1994. Its purpose is to provide benefits to eligible state employees for job-incurred injury. Benefits under SEICTF include all reasonable medical expenses arising from a job-incurred injury, lost wages (including benefits for time lost from the job), and benefits to dependents of employees who are fatally injured on the job. Specifically excluded from coverage are employees of the State Port Authority, educational institutions, and boards of education. A key element in assuring effective and efficient operation of SEICTF was the creation of a statewide medical provider network with a focus on professionals who are experts in treating occupational injury. Excess insurance and reinsurance is acquired to assure the solvency of the fund. Initial operation of the Fund was funded by a transitional authorization of budgeted General Liability Trust Fund and State Employees' Insurance Board.

The SEICTF has a deductible per occurrence. Settlements did not exceed the deductible amounts in fiscal years 1999 and 2000. Settlements for 2001 exceeded the deductibles by $550,731.44.

The following table presents the changes in claims liabilities for the past two years:

	2001	2000
Reported claims payable and estimated claims incurred but not reported at the beginning of year	$ 7,100,817	$ 8,275,726
Incurred Claims:		
Provision for insured events of the current year	497,471	187,042
Increase (decrease) in provision for insured events of prior years	1,957,869	237,567
Total claims and claims adjustment expenses	2,455,340	424,609
Payments:		
Claims and claims adjustment expenses attributable to insured events of the current year	541,368	262,641
Claims and claims adjustment expenses attributable to insured events of the prior year	2,307,935	1,336,877
Total Payments	2,849,303	1,599,518
Reported claims payable and estimated claims payable incurred but not reported at end of year	$ 6,706,854	$ 7,100,817

D. State Employees' Insurance Plan

The State Employees' Insurance Plan (SEIP) was established in 1965 Alabama Acts 833 to provide health insurance benefits for state employees. The SEIP is administered by the State Employees' Insurance Board (SEIB). The monthly premiums for employee and dependent coverage are determined annually and are set at a rate necessary to provide sufficient funds to pay all claims and reasonable expenses of administering the plans. The State pays a monthly premium for each employee and the employee pays any dependent premium.

The SEIB establishes claims liabilities based on estimates of the ultimate cost of claims (including future retroactive claims adjustments) that have been reported but not settled, and of estimated claims that have been incurred but not reported. Because actual claims liabilities are affected by complex changing factors such as inflation, medical technology, and changes in legal doctrines, the process used in computing claims liabilities does not result in an exact amount. Actual claims costs incurred may vary from estimated claims liabilities depending on the similarities in the nature and frequency of the claims between current and prior years.

The SEIB also administers a local government health insurance plan (LGHIP) in the same manner as the SEIP.

The following table presents the changes in claims liabilities during the past two years (Approximately 90% of claim liabilities are related to SEIP and the remainder to LGHIP):

	2001	2000
Reported claims payable and estimated claims incurred but not reported at the beginning of year	$ 18,324,306	$ 22,971,960
Restatement of reported claims and estimated claims incurred but not reported	-	-
Reported claims payable and estimated claims incurred but not reported - Restated	18,324,306	22,971,960
Incurred Claims:		
Provision for insured events of the current year	239,442,133	209,536,865
Increase (decrease) in provision for insured events of prior years	3,142,259	(1,945,496)
Total claims and claims adjustment expenses	242,584,392	207,591,369
Payments:		
Claims and claims adjustment expenses attributable to insured events of the current year	217,058,806	196,018,097
Claims and claims adjustment expenses attributable to insured events of the prior year	19,077,201	16,220,926
Total Payments	236,136,007	212,239,023
Reported claims payable and estimated claims payable incurred but not reported at end of year	$ 24,772,691	$ 18,324,306

E. Public Education Employees' Health Insurance

The Public Education Employees' Health Insurance Fund (PEEHIF) was established in 1983 by the provisions of *Act 83-455* to provide a uniform plan of health insurance for current and retired employees of state educational institutions and to provide a method of funding the benefits related to the plan. The plan is administered by the Public Education Employees' Health Insurance Board (PEEHIB).

The State contributes a specified amount monthly to each respective participating school system. Each participating school system must then pay the employer rate to the PEEHIF each month. That rate was $345 per participant for 2001 and $317 per participant for 2000. In addition to the employer payments each month, certain premium amounts are paid by the employee. PEEHIB established claims liabilities based on the actual cost of claims reported but not settled, and estimates of claims that have been incurred but not reported. Because actual claims liabilities are affected by complex changing factors such as inflation, medical technology, and changes in legal doctrines, the process used in computing claims liabilities does not result in an exact amount. Actual claims costs ultimately incurred may vary from the estimated claims liabilities depending on the similarities in the nature and frequency of the claims between current and prior years. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

The following table presents the changes in claims liabilities during the past two years:

	2001	2000
Reported claims payable and estimated claims incurred but not reported at the beginning of year	$ 53,096,036	$ 54,257,056
Incurred Claims:		
Provision for insured events of the current year	513,357,060	481,793,561
Increase (decrease) in provision for insured events of prior years	(5,300,757)	(5,023,711)
Total claims and claims adjustment expenses	508,056,303	476,769,850
Payments:		
Claims and claims adjustment expenses attributable to insured events of the current year	457,395,191	428,697,525
Claims and claims adjustment expenses attributable to insured events of the prior year	47,795,279	49,233,345
Total Payments	505,190,470	477,930,870
Reported claims payable and estimated claims payable incurred but not reported at end of year	$ 55,961,869	$ 53,096,036

The separately issued financial report contains additional note disclosures and supplementary information regarding claims development.

F. Alabama Health Insurance Plan

The Alabama Health Insurance Plan (AHIP) was established to provide health insurance coverage to eligible individuals as an alternative to federal oversight required in the Health Insurance Portability and Accountability Act of 1996. AHIP was established in 1997 under Regulation 115 pursuant to Act 97-713 and Section 27-1-17 *Code of Alabama 1975* and is governed by a nine member Board of Directors. The plan provides major medical benefits limited to $1,000,000 for the lifetime of a participant. The plan provides that participants pay monthly premiums for health insurance coverage. Coverage is also available for eligible dependents of participants. Premiums are determined annually and are set at a rate necessary to provide sufficient funds to pay all claims and reasonable expenses of administering the plan.

Regulation No. 115 authorizes the Plan to recoup losses by assessing participating insurers based on their health insurance premiums written in the state for any year in which the Plan incurs a deficit. Assessments in excess of actual losses are to be held in interest and used by the board to offset future losses or to reduce future assessments. AHIP obtained funding from assessments totaling $8,344,115 and $4,371,160 in 2001 and 2000, respectively.

AHIP established claims liabilities based on estimates of the ultimate cost of claims (including future retroactive claims adjustments) that have been reported but not settled and of estimated claims that have been incurred but not reported. The estimation of claims costs depends on many factors including historical loss experience. Adjustments of the estimated claim liabilities based on actual results are charged or credited to expense in the periods in which such adjustments are determined.

The following table presents the changes in claims liabilities during the past two years:

	2001	2000
Reported claims payable and estimated claims incurred but not reported at the beginning of year	$ 3,568,721	$ 1,799,244
Incurred Claims:		
Provision for insured events of the current year	19,841,159	13,962,516
Increase (decrease) in provision for insured events of prior years	-	-
Total claims and claims adjustment expenses	19,841,159	13,962,516
Payments:		
Claims and claims adjustment expenses attributable to insured events of the current year	17,134,174	10,983,767
Claims and claims adjustment expenses attributable to insured events of the prior year	2,017,398	1,209,272
Total Payments	19,151,572	12,193,039
Reported claims payable and estimated claims payable incurred but not reported at end of year	$ 4,258,308	$ 3,568,721

G. Alabama State Port Authority

The Alabama State Port Authority is partially self-insured with respect to workmen's compensation claims. Claims are self-insured to the extent of claims less than $300,000 with no aggregate limit with respect to the number of such claims. Additionally, any individual claims in excess of $5,000,000 are self-insured.

9 RETIREMENT PLANS

A. The Retirement Systems of Alabama

The Retirement Systems of Alabama (RSA) administers three retirement programs: The Teachers' Retirement Systems, Employees' Retirement Systems, and Judicial Retirement Fund for the benefit of state employees and public education employees.

1. Plan Descriptions

The Teachers' Retirement System of Alabama (TRS) is a cost-sharing multiple-employer defined benefit pension plan, established as of September 15, 1939 under the provisions of the 1939 *Alabama Acts* 419. The system provides retirement allowances and other specified benefits for qualified persons employed by state-supported educational institutions. The Board of Control has responsibility for the general administration and operation of the TRS.

The Employees' Retirement System of Alabama (ERS) is an agent multiple-employer defined benefit pension plan established as of October 1, 1945, under the provisions of the 1945 *Alabama Acts* 515. This system provides retirement allowances and other specified benefits for state employees, state police, and employees of cities, counties, towns, and quasi-public organizations on an elective basis. The Board of Control is responsible for the general administration and operation of the ERS.

The Judicial Retirement Fund (JRF) is a cost-sharing multiple-employer defined benefit pension plan, established under the 1973 *Alabama Acts* 1163. This system provides retirement allowances and other specified benefits for any Justice of the Supreme Court of Alabama, Judge of the Court of Civil Appeals, Judge of the Court of Criminal Appeals, Judge of the Circuit Court, or office holder of any newly created judicial office receiving compensation from the State Treasury. Act Number 1205 of the Legislature of 1975 supplemented the provisions of Act Number 1163 and enlarged the scope and coverage of the JRF to include District and Probate Judges. The Board of Control of the ERS administers and operates the JRF.

The TRS, ERS, and JRF provide retirement benefits as well as death and disability benefits as established by state law. The retirement benefit provisions are established by Title 36, Chapter 27 of Alabama State Law and must be amended by statute. Benefits for TRS and ERS members vest after 10 years of credited service. Teachers and state employees who retire after age 60 (52 for state police) with 10 years of credited service or with 25 years of service (regardless of age) are entitled to an annual retirement benefit, payable monthly for life. Service retirement benefits are calculated by two methods with the member receiving payment under the method which yields the highest monthly benefit: (1) minimum guaranteed, or (2) formula. Under the formula method, members of TRS and ERS (except state police) are allowed 2.0125 percent of their final average salary (highest 3 of the last 10 years) for each year of service. State Police are allowed 2.875 percent for each year of state police service in computing the formula method. Disability retirement benefits are calculated in the same manner.

JRF benefits vest from five to eighteen years. Except for justices or judges who were either disabled, elected prior to July 30, 1979, or have at least 25 years of credited service, no justice or judge shall be eligible to receive judicial service retirement pay prior to attaining sixty years of age. Service retirement benefits for justices and judges are dependent upon the particular office held in the judicial branch of government. A retirement benefit is payable upon the request of any member who has: (1) 25 years of credited service (regardless of age), (2) completed 12 years of credited service and has attained age 65, (3) completed 15 years of credited service and whose age plus service equals or exceeds 77, (4) completed at least 18 years of credited service or three full terms as a judge or justice and has attained age 65 (5) completed 10 years of credited service and has attained age 70, (6) been elected prior to July 30, 1979 and has 18 years of service (regardless of age). A member eligible to retire who has not requested his retirement benefit to commence at the end of the term in which his seventieth birthday occurs is entitled only to the refund of his contributions (except for members with at least 25 years of credited service). The service retirement benefit for a member other than a probate judge is equal to 75 percent of the state-paid salary prescribed by law for the position from which the member retires. If a probate judge is paid on a fee basis, the service retirement benefit is equal to 90% of the benefit payable to a circuit judge on the date such judge retires. If a probate judge is paid on a salary basis, the benefit is equal to 75% of the salary upon which such judge contributes immediately prior to retirement.

A preretirement death benefit is offered in which the account is credited with TRS and ERS employer contributions and investment income on such funds. The preretirement death benefit (group term life insurance) is paid in addition to the return of member contributions upon the death of an active TRS or ERS member who has completed at least one year of

active membership in the system and whose date of death was within 180 days of such member's last date of actual service. However, a surviving spouse beneficiary may elect a survivor allowance in lieu of this benefit. The preretirement death benefit is equal to the annual earnable compensation of the member as reported to the system for the preceding year ending June 30, for TRS and September 30, for ERS.

When a member withdraws from service prior to becoming vested, the member's accumulated contributions and a portion of accumulated interest credited to the Annuity Savings account are returned to the member. The portion of accumulated interest, which by law, is not payable to the member, is transferred to the Expense fund.

RSA issues a stand-alone financial report that includes financial statements and required supplementary information (including the six-year trend) for the year ended September 30, 2001. Copies may be obtained by writing to:

The Retirement Systems of Alabama
P.O. Box 302150
135 South Union Street
Montgomery, AL 36130-2150

Title 36, Chapter 27 of the Alabama State Law established the contribution requirements and must be amended by state statute. The law provides that the Boards of Control engage an actuary to prepare an annual valuation of the assets and liabilities of the various reserve funds.

At September 30, 2001, the number of participating employers in each system was as follows:

	TRS	ERS
Cities	-	252
Counties	-	64
Other Public Entities	-	434
Universities	13	-
Post-Secondary Institutions	29	-
City & County Boards of Education	128	-
State Agencies & Other	33	1
Total	203	751

2. Summary of Significant Accounting Policies

Basis of Accounting

The TRS, ERS, and JRF financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. The financial statements are prepared in accordance with requirements of the Governmental Accounting Standards Board and are considered component units of the State of Alabama.

Investments

The Boards of Control of the Systems have the responsibility and authority to invest and reinvest available funds, through the Secretary-Treasurer and Investment Committee, in bonds, mortgage-backed securities, common and preferred stock, or other investment vehicles with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use. All plan assets are carried at fair value. Securities traded on national or international exchanges are valued at the last reported sales price at current exchange rates. Short-term investments are reported at cost, which approximates fair value. Mortgage-back securities are reported based on future principal and interest payments discounted at the prevailing interest rate for similar instruments. The fair value of real estate investments is based on the estimate of independent appraisals.

As of September 30, 2001, the TRS and ERS owned debt and equity securities of Raycom Media Corporation which represent approximately 9.7 percent and 12.5 percent respectively, of the net assets held in trust for pension benefits. Also, the TRS and ERS owned debt and equity securities of Community News Corporation, which represented approximately 6.6 percent and 7.9 percent, respectively, of the net assets held in trust for pension benefits. Also, the JRF owned debt securities of United Air Lines, which represented 5.3 percent of the net assets held in trust for pension benefits.

3. Contributions Required and Contributions Made

The actuary has computed, as of the date of the latest available actuarial valuation (June 30, 2001 for TRS and September 30, 2001 for the ERS and JRF), the estimated present value of benefits payable to retired members, beneficiaries and active members. The actuarial valuations are prepared using the entry age method for TRS and ERS, and projected unit credit method for JRF. The present value of all expected benefits payable from each system to the present group of members and beneficiaries is calculated by adding the present value of the expected benefits payable to the active members to the present value of the expected future payments to retired members and beneficiaries.

As required by statute, the TRS, ERS, and JRF funding policies provide for employer contributions at actuarially

determined rates (expressed as percentages of annual covered payroll) are sufficient to accumulate assets to pay benefits when due. The employer contributions required to support the benefits of each system are determined following a level funding approach and consist of a normal contribution, an accrued liability contribution, and a portion to finance administrative costs.

For the TRS and ERS, the normal contribution is determined using the "entry age normal" method. Under this method, a calculation is made to determine the uniform and constant percentage rate of the employer contributions which, if applied to the compensation of the average new member during the entire period of the member's anticipated covered service, would be required in addition to the contributions of the member to meet the cost of all benefits payable on the member's behalf.

For the JRF, the normal contribution is determined using the "projected accrued benefit" (unit-credit) method. Under this method, the benefits of each individual included in an actuarial valuation are allocated by a consistent formula to valuation years. The actuarial gains (losses), as they occur, generally reduce (increase) the unfunded actuarial accrued liability.

The required contribution rate of active plan members for TRS and ERS (excluding state police) is 5 percent of earnable compensation. State police members of the ERS are required to contribute 10 percent. JRF members and, effective January 1, 2001, certified policemen and firemen members of the TRS and ERS are required to contribute 6 percent of earnable compensation.

For fiscal year 2001, the required contribution rate of the employer for ERS (state employees) is 5.96 percent and the rate for TRS is 3.95 percent. The employer contribution rate for ERS state policemen and JRF is 9.24 percent and 21.19 percent, respectively.

a) TRS and JRF

A schedule of Employer Contributions for the TRS and JRF (Cost-sharing plans) is shown below:

	Fiscal Year Ended	Annual Required Contribution *	Percentage Contributed
TRS	1999	166,100	100%
	2000	277,180	100
	2001	279,880	100
JRF	1999	2,870	100
	2000	5,696	100
	2001	7,598	100

* Amounts in Thousands

b) State Employer Segment of ERS

Contributions in 2001 for agent employer ERS were made in accordance with actuarially determined contribution requirements determined through an actuarial valuation performed at September 30, 2000.

Actuarial Methods and Assumptions for ERS:

Valuation Date: September 30, 2000
Actuarial Cost Method: Entry Age
Asset Valuation Method: 5 Yr Smoothed Market
Amortization Method: Level Percent Open
Remaining Amort Period: Within 40 yrs-varies by employer
Period Closed/Open: Open
Actuarial Assumptions:
Investment Rate of Return: 8% *
Projected Salary Increases: 4.61%-7.75% *
Cost of Living Increases: None

* Includes inflation at 4.5%

Three-Year Trend Information:

Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
1999	$29,454,946	100%	0
2000	43,945,164	100	0
2001	47,538,835	100	0

B. Other Pension Plans

The State Port Authority administers two single-employer pension plans, the Hourly Plan and the Terminal Railway Plan, for a small number of hourly workers and railway employees. The Peace Officers Annuity and Benefit Fund is a cost-sharing multiple-employer defined benefit pension plan that provides a small additional pension benefit to State and local peace officers beyond that which is paid by the Employees' Retirement System. The Clerks and Registers Supernumerary Fund is a cost-sharing multiple-employer defined benefit pension plan that provides pension benefits to circuit clerks and registers of courts. These pension plans are not material to the State.

10 DEFERRED COMPENSATION

The State offers employees the opportunity to participate in an optional deferred compensation plan created in accordance with Internal Revenue Service Code Section 457. The plan is available to all state employees and permits them to defer a portion of their salary until future years. Employees may withdraw the current value of their contributions upon termination, retirement, death, or an unforeseeable emergency.

It is the opinion of the State's legal counsel that the State has no liability for losses under this plan but does have the duty of due care that would be required of an ordinary prudent investor.

The Public Employees' Individual Retirement Account Fund/Deferred Compensation Plan (RSA-1) is administered and operated by the Public Employees' Individual Retirement Account Fund (PEIRAF) Board of Control. All members of the Teachers' Retirement System of Alabama, Employees' Retirement System of Alabama, Judicial Retirement Fund, and employees of employers eligible to participate in the Employees' Retirement System, are eligible to participate in this plan. At September 30, 2001, plan assets, net of warrants payable, totaled $665,114,827.

State employees may also participate in a plan administered by the Public Employees' Benefit Services Corporation (PEBSCO). This plan is also a deferred compensation plan organized under IRC Section 457. The plan contract has been modified in accordance with new legislation that requires the assets to be held in trust for the benefit of plan participants. The State has no fiduciary responsibility for the assets and therefore does not include the plan in its reporting entity.

11 POSTEMPLOYMENT HEALTH CARE BENEFITS

In addition to the pension benefits described in Note 9, the State provides postretirement health care benefits, in accordance with *Code of Alabama 1975*, Section 36-29-10, to all retired state employees through the State Employees' Health Insurance Plan (SEHIP) and, in accordance with *Code of Alabama 1975*, Section 16-25A-17, to all retired employees of State educational institutions through the Public Education Employees' Health Insurance Plan (PEEHIP). Employees covered under these two plans who retire from active service and begin receiving monthly benefits from the Employees' Retirement System of Alabama or from the Teachers' Retirement System of Alabama may elect to continue coverage under the group insurance plan by consenting to have deducted from their monthly benefit payment the difference in the total cost of their insurance coverage and the portion authorized to be expended by the SEHIP or the PEEHIP for coverage of such retired employees.

The cost of teachers' retiree health care benefits is recognized as an expenditure to PEEHIP as claims are paid. The cost of the benefits is paid from the regular appropriations made to individual education entities. Total active enrolled members were 97,633 and total retired members were 42,551 in fiscal year 2001. The retired employee allocation is funded through the active employee premium. Of the active employee premium, approximately $81,964,176 was on behalf of retired members of PEEHIP for fiscal year 2001. Retirees who are eligible for Medicare benefits must pay $1.14 per month for the Hospital/Medical coverage while those who are not eligible for Medicare must pay $78.00 per month for the coverage. Optionally, the retirees may use this insurance allocation to purchase two plans of supplemental insurance offered by PEEHIP with no out-of-pocket cost. Total premiums paid to PEEHIP by retirees for Hospital/Medical coverage was $11,157,728 for the year. The retirees must pay additional premiums to cover their dependents.

The State provides health care benefits for retired state employees through SEHIP. The cost of benefits is recognized as an expense in the month in which it is incurred. The State pays 100 percent ($110 per month) of the premium for a retiree who is over 65 and eligible for Medicare for a total cost to the State in 2001 of $11,904,310. The State pays a portion of the premium for a retiree who is under 65 at a total cost to the State in 2001 of $5,891,380. Under the SEHIP statute, the fixed amount per month per retiree is funded on a pay-as-you-go basis through the active employee premiums each agency pays for its active employees. Average enrollment in 2001 was 9,018 for retirees over 65, and 4,463 for retirees under 65. COBRA insurance is also available to state employees who terminate state service, but the employee is liable for the premiums.

12 SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The State's primary government has major enterprise funds which provide the following services: facilities for the distribution and sale of alcoholic beverages, state park and recreational facilities, operation of the Prepaid Affordable College Tuition program, service for shippers, including warehousing, loading, and bulk cargo handling, operation of a guaranteed student loan program, health insurance coverage for local government employees, and a health insurance plan for citizens who have lost COBRA coverage. Component unit proprietary funds provide housing opportunities for those with moderate and low incomes by providing affordable financing; provide Alabama lending institutions with a secondary market for student loans; issue revolving loan bonds and lend the bond proceeds to eligible municipalities for the construction of wastewater treatment, sanitary drinking water facilities, and collection facilities; operation of the supercomputer, a historic furnace and foundry exhibit, space science exhibit, U.S.S. Alabama Battleship Park, and a music hall of fame. Segment information for the year ended September 30, 2001, was as follows:

Primary Government (In Thousands)

	Alcoholic Beverage Control Board	State Parks	Prepaid Affordable College Tuition	State Port Authority	Local Gov. Employees' Health Insurance	Alabama Health Insurance Plan	Other Enterprise Funds	Totals
Operating Revenues	$ 175,222	$ 24,270	$ (83,298)	$67,927	$44,727	$13,077	$ 16,645	$ 258,570
Depreciation Expense	796	2,822	5	13,645	-	-	268	17,536
Operating Income (Loss)	9,566	(8,447)	(136,858)	10,202	2,983	(6,948)	687	(128,815)
Grants, Entitlements, and Shared Revenues	-	169	-	-	-	-	49	218
Transfers:								
In	-	4,233	-	-	-	-	132	4,365
Out	(18,734)	(2,124)	-	(48)	(848)	-	(1,083)	(22,837)
Tax Revenues	7,310	11,315	-	-	-	8,344	-	26,969
Net Income (Loss)	266	5,463	(136,850)	959	2,135	1,585	(226)	(126,668)
Current Capital Contributions	103	-	-	-	-	-	-	103
Property, Plant, and Equipment								
Additions	458	4,683	2	14,882	-	-	20	20,045
Dispositions	(392)	(2,038)	-	(1,934)	-	-	(207)	(4,571)
Net Working Capital	(1,084)	28,947	22,332	10,674	2,187	469	3,559	67,084
Total Assets	35,961	64,586	607,421	373,703	29,747	5,130	9,658	1,126,206
Bonds and Long-term Liabilities								
Payable from Operating Revenue	4,882	2,413	563,274	182,157	-	-	1,467	754,193
Total Equity	(4,827)	59,527	42,910	174,039	21,246	469	7,705	301,069

Component Units (In Thousands)

	Housing Finance Authority	Higher Education Loan Corp.	Water Pollution Control Authority	Space Science Exhibit Comm.	Super-Computer Authority	U.S.S. Alabama Battleship Comm.	Historic Ironworks Comm.	Music Hall of Fame	Drinking Water Finance Authority	Totals
Operating Revenues	$ 135,231	$ 6,474	$ 43,730	$23,608	$ 1,319	$ 3,191	$ 1,077	$ 92	$ 5,610	$ 220,332
Depreciation Expense	69	-	132	2,914	132	144	225	142	-	3,758
Operating Income (Loss)	54,236	92	4,053	(3,273)	(4,201)	131	(561)	(566)	945	50,856
Grants, Entitlements, and Shared Revenues	-	-	20,248	-	-	-	73	-	12,620	32,941
Transfers:										
In	-	-	1,204	375	3,851	-	386	382	12,909	19,107
Out	-	-	(13,515)	-	-	-	-	-	(489)	(14,004)
Net Income (Loss)	53,531	92	15,224	(3,560)	(350)	842	(85)	(118)	26,350	91,926
Current Capital Contributions	-	-	-	-	-	-	-	-	-	-
Property, Plant, and Equipment										
Additions	40	-	125	1,864	3	2,615	26	3	-	4,676
Dispositions	-	-	-	-	-	-	-	-	-	-
Net Working Capital	(150,986)	38,264	65,851	(17,021)	1,118	2,426	304	78	14,309	(45,657)
Total Assets	1,431,874	82,684	859,224	42,873	2,717	8,524	3,187	1,570	133,489	2,566,142
Bonds and Long-term Liabilities										
Payable from Operating Revenue	1,094,980	70,790	643,291	7,324	118	1,604	40	24	91,948	1,910,119
Total Equity	167,901	11,140	187,924	16,094	1,940	6,878	3,089	1,473	39,095	435,534

13 JOINT VENTURES AND JOINTLY GOVERNED ORGANIZATIONS

A. Joint Ventures

The Tennessee-Tombigbee Waterway Development Authority is a joint venture created by a compact executed between the State of Alabama and the States of Mississippi, Tennessee, and Kentucky. Its purpose is to develop and promote a navigable waterway between the Tennessee and Tombigbee rivers and provide a nine foot deep navigable channel. The State of Alabama provided $109,037 and $114,594 to the Authority for fiscal year 2001 and fiscal year 2000, respectively. The fiscal year of the Tennessee-Tombigbee Waterway Development Authority ends on December 31. Key financial data for the Authority is shown below.

(Amounts in Thousands)

	2001	2000
Current Assets	$ 268	$ 278
Fixed Assets	34	29
Total Assets	302	307
Liabilities	-	-
Fund Balance	302	307
Revenues	316	339
Expenditures	325	331

Complete financial statements for the Authority can be obtained at P. O. Drawer 671, Columbus, MS 39703.

B. Jointly Governed Organizations

The Historic Chattahoochee Commission is a jointly governed organization that was created by a compact executed between the State of Alabama and the State of Georgia. The Commission had $427,695 in revenues in 2001, $168,180 of which was received from the State's General Fund. The remainder was from other revenue sources and the State of Georgia.

14 RELATED ORGANIZATIONS

The State's officials are responsible for appointing a majority of the members of the boards of other organizations, but the State's accountability for these organizations does not extend beyond making appointments. The State appoints the nine-member board of the Private Colleges and Universities Facilities Authority and a majority of the five-member Alabama Shakespeare Festival Finance Authority.

15 RELATED PARTY TRANSACTIONS

The Montgomery Downtown Redevelopment Authority, a public corporation, issued $65,200,000 of bonds in 1988 to construct the Gordon Persons state office building. These bonds were partially refunded in 1992 with a new bond issue of $66,150,000. The bonds' final maturity is on October 1, 2013. Members of the board of directors of the Authority are appointed by officials of the City of Montgomery, but the Authority is not a part of the City's reporting entity and is therefore considered a separate "stand-alone government." The bonds issued constitute conduit debt obligations of the Authority, and are therefore reported as revenue bond debt of the State. The Authority has also issued conduit debt on behalf of other governments and third parties, none of which is reported in these financial statements.

The State operates and maintains the building and has entered into an agreement with the Authority whereby the rental payments from state agencies occupying the building are paid to the Authority, which then uses the money to pay the bond principal and interest. The payments to the Authority are reported by the State as debt principal and interest expenditures.

These financial statements exclude certain foundations and other organizations affiliated with state colleges and universities. While the purpose of these foundations and associations is to operate exclusively for the benefit of the colleges and universities, the colleges and universities are not financially accountable for them; therefore, such

organizations do not constitute component units under the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, "The Reporting Entity." The most significant of these are: the University of Alabama in Huntsville Foundation, the University of Montevallo Foundation, the University of South Alabama Foundation, the National Alumni Association of the University of Alabama, the Capstone Foundation, the University of Alabama Law School Foundation, the Auburn University Foundation, and the Auburn Alumni Association. These organizations had total assets of $624,855,000 and total revenues of $83,893,000 for the 2001 fiscal year.

These financial statements also exclude the Alabama A & M Foundation, the Alabama State University Foundation, the Alabama State University Trust for Educational Excellence, the Jacksonville State University Foundation, the Jacksonville State Alumni Association, the University of Alabama Birmingham Educational Foundation (UABEF), the University of Alabama Birmingham Research Foundation (UABRF), the University of Alabama Health Services Foundation, P.C. (HSF), and the Troy State University Foundation, Inc. Financial data for these organizations was not available. However, UABEF made contributions to the University of Alabama at Birmingham of $3,598,000 during the 2001 fiscal year, and the University generated $21,844,000 in unrestricted current revenues from transactions with HSF.

The University of Alabama at Birmingham (UAB) and HSF have entered into an agreement dated October 7, 1996 which established a common management group, the UAB Health System. The purpose of this agreement is to provide common management for their existing and future health care delivery operations. UAB contributed $4,300,000 during 2001 to the UAB Health System Board.

As of September 30, 2001, UAB had invested approximately $19,700,000 in Triton Health Systems, LLC (Triton), a health maintenance organization wholly owned by UAB and UABEF. The purpose of Triton is to establish a primary care physician network in the southeastern United States and to operate a health maintenance organization. UAB's interest in Triton of approximately $12,700,000 at September 30, 2001 is recorded on the equity method.

UAB, in a transactional partnership with HSF, holds a 50% ownership in the operating assets and liabilities of the Eye Foundation, Inc. (EFI). UAB's investment in EFI is carried at original cost plus or minus equity in undistributed earnings/losses since the date of acquisition with assets totaling approximately $1,898,000 at September 30, 2001.

The University of South Alabama Health Services Foundation and the South Alabama Medical Science Foundation reimburses the University for certain administrative and other support services. Total amounts received for such services in 2001 were $17,157,000 from the Health Services Foundation and $2,047,000 from the Medical Science Foundation.

The hospitals of the University of South Alabama provide patient care services on a contractual basis to members of Prime Health, Inc., a related health maintenance organization, and its affiliates. Net hospital revenues for such services were $11,190,000 in 2001.

The Alabama Higher Education Loan Corporation and the Alabama Commission on Higher Education (ACHE) have entered into an agreement in which ACHE receives servicing fees for providing administrative and loan processing assistance to the Corporation. Total servicing fees, loan processing costs and administrative costs paid by the Corporation to ACHE were $994,700 and $1,110,800 for the years ended September 30, 2001 and 2000, respectively.

16 COMMITMENTS

A. Construction Projects

1. Primary Government

At September 30, 2001, the Department of Transportation had construction and maintenance contracts of $1,693,315,074. The amount already performed was $1,220,846,888, leaving an outstanding balance of $472,468,186. The funding sources for this amount are 76% Federal funds, 23% State funds, and 1% Industrial Access revenue bond funds.

The State Port Authority had commitments for capital expenditures of approximately $29,500,000 at September 30, 2001.

2. Component Units

The University of Alabama at Birmingham had construction and acquisition commitments remaining at September 30, 2001, of $260,081,000. These costs will be financed from bond proceeds and UAB reserves of $232,254,000, federal funds of $1,997,000, and state funds of $20,153,000. During 2001, approximately $96,972,000 of construction was

financed through proceeds of previously issued debt. In addition, certain projects in the planning and design phase that UAB expects to complete have estimated costs totaling $205,300,000.

The University of Alabama at Tuscaloosa had construction and renovation contracts remaining at September 30, 2001, of $43,800,000. These costs are expected to be financed from gifts, grants, bond proceeds, and University funds.

Auburn University had construction and renovation contracts for various facilities that are estimated to cost approximately $51,800,000. At September 30, 2001, the estimated remaining cost to complete the projects was approximately $17,800,000 payable from University funds.

At September 30, 2001, Jacksonville State University had commitments on construction projects which included $1,862,329 on the Houston Cole Library renovation.

The University of Alabama at Huntsville had construction and renovation contracts for several facilities remaining at September 30, 2001, of $15,600,000. These costs are expected to be financed from gifts, grants, bond proceeds, state appropriations and University funds.

B. Operating Leases

The State and its component units have entered into various lease agreements for real property. These leases do not represent material commitments by the State, therefore disclosure of minimum future lease payments is not provided.

C. Federal Programs

The State operates several Federal programs that have commitments for claims outstanding at September 30, 2001. These claims involve services provided to beneficiaries prior to September 30, but the claims were neither submitted to nor approved for payment by the State until after September 30. The largest of these is the Medicaid program, which had claims outstanding but not reported of $274,453,472. The amounts of the other programs are not material.

D. Other Commitments

The Alabama Housing Finance Authority, a component unit, has set aside in its operating fund $335,000 at September 30, 2001, to be used if needed to pay debt service on several single-family mortgage revenue bond issues. The Authority has also designated $76,164,000 of its fund balance for financing future single-family mortgage revenue bond programs, to support its single-family mortgage loan origination and warehousing operations, and to cover its operating expense budget for the following fiscal year.

17 CONTINGENCIES

A. Grants

The State receives federal grants for specific purposes that are subject to review and audit by the grantor agencies. Entitlement to these resources is generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes.

Federal grantor agencies from time to time review State records to determine whether the State has complied with the terms and conditions of grant agreements and federal regulations. Any disallowance resulting from a federal audit may become a liability of the State but cannot be reasonably estimated at this time. It is believed that any liability resulting from a determination of noncompliance will not materially affect the State's financial condition.

B. Tobacco Settlement

As a party to a successful multi-state legal settlement with the tobacco industry, the State received $131.7 million in fiscal year 2000 and $103.1 million in 2001. This settlement money is intended to compensate the State for smoking related health care costs incurred by various State programs. Annual payments will continue and could total $3.2 billion over 25 years but future settlement payments are subject to adjustment for a number of factors such as inflation, the effect of other lawsuits, decreased sales volume and the financial health of the tobacco companies. Because the exact amount of the future settlement amounts is not measurable, no receivable for these amounts is recorded in these financial statements.

C. Litigation

The State is a party to numerous legal proceedings that occur in the normal course of governmental operations, some of which involve significant amounts. The lawsuits involving significant amounts are described below. Proceedings involving amounts that, when aggregated, will have no material effect on the accompanying financial statements

may have an impact on the related individual programs and respective state agencies. The monetary impacts, if any, of all litigation will most likely be addressed in future state laws and budgets. Due to the uncertainty involving the ultimate outcome and amounts of the unresolved litigation described below, no provision for potential liability has been recorded in the accompanying financial statements.

In the case Alabama Coalition for Equity, Inc., et al. v. Fob James, Jr., et al., filed in May 1990, the plaintiffs alleged that the State of Alabama's public school funding structure is unconstitutional under the United States Constitution and the State of Alabama's Constitution. The Alabama Supreme Court affirmed the trial court's ruling that the system was unconstitutional. Various legal proceedings have affected the status of this case and potential remedies and liabilities during the years since it was filed. A hearing on the remedy phase is to be held July 1, 2002.

Lee v. Macon is a group of cases arising from the desegregation cases filed in the 1960s. The State Board of Education was brought back into these cases in 1997 and is assisting local school districts in negotiating Consent Decrees with the Justice Department, NAACP Legal Defense, and plaintiffs' attorneys. The goal is the creation of unitary school districts, in which the vestiges of segregation have been removed from all aspects of the operation of public schools. Presently, state attorneys are working on statewide issues and with local districts for unitary status decrees. A statewide consent decree has been negotiated for special education and is being negotiated for facilities.

Two ongoing lawsuits, Johnny Reynolds, et al. v. Alabama Department of Transportation, et al., and Eugene Crum, Jr., et al, v. State of Alabama, et al., involve employment discrimination. These are class-action lawsuits alleging that the State has engaged in illegal discriminatory practices in the hiring and promoting of employees. The parties in the Reynolds case have entered into a court-approved settlement effective in April 1994; however, numerous issues have been raised before the Court regarding the implementation of the settlement. The Crum case is still in the discovery stage.

The State of Alabama has been involved in several lawsuits challenging the constitutionality of the franchise tax in effect before 2000. The U. S. Supreme Court ruled that Alabama's franchise tax scheme unconstitutionally discriminated against interstate commerce. The State is negotiating settlements with corporations for refunds of the unconstitutional tax. The State Legislature enacted laws to remedy the significant loss of revenue; however, the amounts being collected under the new laws are significantly less that those collected prior to 2000.

The State of Alabama is also involved in ten additional significant tax-related lawsuits or actions that challenge the legality of certain taxes or challenges other provisions of tax laws and procedures. These cases have a combined potential liability of approximately $50,000,000. State losses in these cases could also reduce future revenues.

In addition to the Reynolds case described above, the Department of Transportation is involved in two cases involving groundwater contamination in and around the Department's Montgomery facilities which may affect three residential neighborhoods. Both involve the Department expending funds to clean up the site and for any potential condemnations of residences.

The Alabama State Port Authority is also involved in clean up of a fourteen acre site it owns which is badly contaminated with creosote. To date, the Authority has expended more than $7,800,000 toward the clean up of the site, with an estimated $6,858,000 remaining to be spent on clean up of the site.

The Department of Human Resources is involved in many lawsuits that occur in the normal course of its operations, the most significant of which is the R. C. v. Fuller case concerning the care and custody of emotionally disturbed children and children with behavioral disorders. The Department of Human Resources has until October 1, 2002 to comply with a Consent Decree approved by the Court whereby a new child welfare system, known as the "System of Care" will be fully implemented. Forty counties have successfully converted to the System of Care, with the remaining 27 counties involved in conversion to the new system.

The Department of Mental Health and Mental Retardation has ten lawsuits that have occurred in the normal course of its operations related to treatment, injuries, and deaths of patients or recipients of mental health services. These cases have a combined potential liability of approximately $25,000,000.

The Department of Youth Services and the Department of Corrections are involved in four significant cases that have occurred in the normal course of their operations related to incarceration and treatment of youths and adults. In addition, the State of Alabama is a defendant in a lawsuit whereby the plaintiffs are seeking to require the State to provide the same services to prisoners that are provided to

children in public schools. The State is currently in the process of obtaining guidance from the court concerning potential remedies under a consent decree.

18 SUBSEQUENT EVENTS

On December 1, 2001, the Alabama 21st Century Authority issued Series 2001 Tobacco Settlement Revenue Bonds totaling $103,760,000. The interest rates on the bonds range from 5.25 percent to 5.75 percent to be paid semiannually on each June 1 and December 1, beginning June 1, 2002. The maturity date of the bonds is December 1, 2021.

On December 15, 2001, the Alabama Public School and College Authority issued Series 2001-B and Series 2001-C bonds in the amount of $13,585,000 and $83,870,000. The interest rates on the Series 2001-B bonds range from 5 percent to 5.625 percent. The interest rates on the Series 2001-C bonds range from 4.125 percent to 5 percent. Interest will be payable semiannually on each May 1 and November 1, beginning November 1, 2002. The maturity dates of the Series 2001-B and Series 2001-C are May 1, 2008 and May 1, 2013.

On December 1, 2001, the Alabama State Port Authority issued Series 2001 bonds in the amount of $17,855,000. The interest rate on the Series 2001 bonds is 5.25% and will be payable semiannually on each April 1 and October 1, beginning April 1, 2002. The maturity date of the bonds is October 1, 2026.

On January 1, 2002, Alabama State University authorized the issuance of $29,125,000 Series 2002A General Tuition and Fee Revenue Bonds and $6,775,000 Series 2002B General Tuition and Fee Revenue Bonds. The proceeds from the Series 2002A bonds will be used to 1) advance refund outstanding 1995 Bonds, outstanding 2001B bonds and a portion of the outstanding 1993 bonds 2) redeem and repay outstanding 2001 bonds 3) pay the entire mortgage payable and 4) fund a portion of costs of capital improvements. The proceeds from the Series 2002B bonds will be used to advance refund a portion of the outstanding 1993 bonds.

From October 1, 2001 through December 1, 2001, the Alabama Housing Finance Authority called approximately $37,720,000 of bonds prior to their scheduled maturities.

On December 1, 2001, Auburn University issued General Fee Revenue Bonds, Series 2001-A in the amount of $74,750,000. On December 13, 2001, Auburn University issued Athletic Revenue Bonds, Series 2001-A in the amount of $24,412,607.

On January 1, 2002, the Alabama Drinking Water Finance Authority issued Series 2002-A bonds in the amount of $37,575,000. The interest rates on the bonds range from 3 percent to 5.25 percent payable semiannually on each February 15 and August 15, beginning February 15, 2002. The maturity date of the bonds is August 15, 2024.

On January 15, 2002, the Alabama Water Pollution Control Authority issued Series 2002-A bonds in the amount of $32,555,000. The interest rates on the bonds range from 3 percent to 5 percent payable semiannually on each February 15 and August 15, beginning February 15, 2002. The maturity date of the bonds is August 15, 2024.

On February 1, 2002, the Alabama Water Pollution Control Authority issued Series 2002-B refunding bonds in the amount of $58,425,000. The bond proceeds will redeem the Series 1991 Bonds. The interest rates on the bonds range from 3 percent to 5.375 percent to be paid semiannually on each February 15 and August 15, beginning August 15, 2002. The maturity date of the bonds is August 15, 2014.

In accordance with State Constitutional Amendments, the Alabama Heritage Trust Fund was merged into the Alabama Trust Fund during the first quarter of fiscal year 2002.

19 COVENANT VIOLATIONS

During fiscal year 2001, the Alabama Space Science Exhibit Commission was in violation of the following covenants on debt: The Commission shall maintain a minimum of total combined Tangible Net Worth of not less than $18,000,000 and shall not guarantee, endorse or assume, either directly or indirectly, any indebtedness of any other corporation, person, or entity.

As related to the Letter of Credit expiring on September 30, 2002, Article IV Covenants of Borrower, the Commission was in violation of the covenant to maintain a Tangible Net Worth as of any fiscal year end of at least $18,000,000 and, at any other time of at least $13,000,000.

As a result of the above-mentioned Letter of Credit covenant violation, the Commission was also in violation of a covenant related to the 2001 Bond Issuance and the related Mortgage, Assignment of Leases and Security Agreement between the Commission and AmSouth Bank dated January 1, 2001.

Per an amended debt agreement dated January 31, 2002 between the Commission and AmSouth Bank, the Commission obtained a waiver for the above mentioned covenant violations for a period of time sufficient to cover the violations.

All bond indentures require that the Commission deliver to the Trustee audited financial statements within 120 days of year-end. The Commission did not comply with this requirement for the year ended September 30, 2001.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Funding Progress for Employees' Retirement System

SCHEDULE OF FUNDING PROGRESS FOR ERS
(State Employees and State Policemen)
(Amounts In Thousands)

Actuarial Valuation Date	(A) Actuarial Value of Assets	(B) Actuarial Accrued Liability (AAL)	(B-A) Unfunded AAL	(A/B) Funded Ratio	(C) Covered Payroll	((B-A)/C) UAAL as a % of Covered Payroll
9/30/1996	$ 3,103,364	$ 3,282,634	$ 179,270	94.5	$ 946,888	18.9
9/30/1997	4,028,540	3,531,845	(496,695)	114.1	964,229	(51.5)
9/30/1998	4,255,403	4,010,976	(244,427)	106.1	979,071	(25.0)
9/30/1999	4,456,536	4,119,270	(337,266)	108.2	998,007	(33.8)
9/30/2000	4,689,429	4,369,226	(320,203)	107.3	1,023,022	(31.3)

Special Revenue Funds

Special revenue funds account for specific revenue sources that are restricted to finance particular functions and activities of the State. The individual Special Revenue Funds of the State are combined on a functional basis according to the type of activity.

Education Trust Fund (ETF) accounts for the revenues and expenditures associated with public education.

Public Road and Bridge Fund accounts for the revenues and expenditures associated with highway construction, maintenance, and operations.

Medicaid Fund accounts for revenues and expenditures associated with the provision of nursing home care, hospital care, and physician services for those eligible for Medicaid benefits.

Human Resources Fund accounts for revenues and expenditures associated with the administration of programs to provide financial assistance, such as the Aid to Dependent Children program, and a broad range of social and protective services.

Public School Fund accounts for revenues and expenditures which are allocated to local boards of education for support of educational programs.

Education Department accounts for federal monies received by the State to support educational programs for elementary and secondary education and rehabilitation and crippled children services.

Economic and Community Affairs Fund accounts for revenues and expenditures related to energy management, skills enhancement and employment opportunities, traffic control and accident prevention, and state and regional planning.

Corrections Fund accounts for revenues and expenditures associated with the administration of penal and correctional institutions and related activities in the State.

Public Health Fund accounts for resources used in the promotion of general physical health. This includes the enforcement of laws relating to public health as well as programs providing preventive and treatment services to the public.

Revenues Allocated to Local Governments accounts for revenues from gasoline taxes, motor vehicle licenses, TVA payments, and other revenue sources which are shared with local governments.

Children First Trust Fund accounts for tobacco settlement revenues to be used for a variety of programs that benefit children.

Other Special Revenue Funds account for various resources used to provide a wide variety of services, the largest of which are:

Revenue Administrative administers the collection of almost all state taxes and licenses.

Industrial Relations administers the unemployment compensation and industrial safety and accident prevention programs.

Conservation and Natural Resources is responsible for the management of the state's game and wildlife resources as well as the management of the state parks system.

Environmental Management protects the state's citizens from pollution of the water, land and air.

Senior Services administers federal and state programs that provide services for the elderly.

Professional and Occupational Boards provide professional and occupational licensing and regulation.

Rehabilitation Services administers federal and state programs that aid disabled citizens.

Emergency Management works with local and federal authorities to coordinate State disaster assistance.

Miscellaneous Special Revenue Funds are aggregated for reporting purposes and account for various other revenues which must be used for specific purposes.

COMBINING BALANCE SHEET
Special Revenue Funds

September 30, 2001
(Amounts in Thousands)

	Education Trust Fund	Public Road and Bridge Fund	Medicaid	Human Resources	Public School Fund
ASSETS					
Cash and Cash Equivalents	$ 41,914	$ 417,429	$ 94,777	$ 87,208	$ 26,066
Investments	-	-	-	-	-
Accounts Receivable	-	-	-	-	-
Taxes Receivable	314,939	-	-	29,836	93,861
Interest and Dividends Receivable	-	-	-	-	-
Due from Other Funds	3,599	10	2,470	7,342	-
Due from Component Units	-	500	64	-	-
Due from Other Governments	-	-	11,094	-	-
Inventory	-	-	-	-	-
Other Assets	-	35,721	-	-	-
TOTAL ASSETS	**$ 360,452**	**$ 453,660**	**$ 108,405**	**$ 124,386**	**$ 119,927**
LIABILITIES AND FUND BALANCES					
Liabilities					
Warrants Payable	$ 9,295	$ 4,496	$ 83	$ 973	$ -
Accounts Payable	18,354	94,963	7,035	31,214	-
Salaries Payable	3,498	5,964	867	9,805	-
Interest Payable	-	-	-	-	-
Due to Other Funds	672	479	2,474	6,354	-
Due to Component Units	11	163	11,094	43	-
Due to Other Governments	1,684	11,365	33	1,603	-
Deferred Revenue	-	-	-	26,437	82,930
Amounts Held Pending Distribution	-	-	-	-	-
Amounts Held in Custody for Others	7	12,127	-	2,361	-
Compensated Absences	77	-	19	284	-
Total Liabilities	**33,598**	**129,557**	**21,605**	**79,074**	**82,930**
Fund Balances					
Reserved for Encumbrances	4,567	27,857	235	3,490	-
Reserved for Inventory	-	-	-	-	-
Reserved for Court Settlements	-	34,585	-	-	-
Reserved for Donor Restrictions	-	-	-	-	-
Unreserved, Undesignated	322,287	261,661	86,565	41,822	36,997
Total Fund Balances	**326,854**	**324,103**	**86,800**	**45,312**	**36,997**
TOTAL LIABILITIES AND FUND BALANCES	**$ 360,452**	**$ 453,660**	**$ 108,405**	**$ 124,386**	**$ 119,927**

Education Department	Economic and Community Affairs	Corrections	Public Health	Revenues Allocated to Local Governments	Children First Trust	Other Special Revenue Funds	Totals
$ 18,794	$ 19,777	$ 10,366	$ 53,748	$ 27,996	$ 59,000	$ 308,535	$ 1,165,610
-	-	210	-	-	-	33,284	33,494
-	-	4	-	-	-	299	303
-	-	-	-	-	-	2,565	441,201
-	-	-	-	-	-	1	1
569	730	1,356	2,861	659	-	3,894	23,490
-	-	-	-	-	-	49	613
48,466	-	-	-	-	-	1,772	61,332
-	-	-	-	-	-	316	316
-	-	-	-	-	-	10	35,731
$ 67,829	**$ 20,507**	**$ 11,936**	**$ 56,609**	**$ 28,655**	**$ 59,000**	**$ 350,725**	**$ 1,762,091**
$ 1,886	$ 762	$ 38	$ 414	$ 660	$ 818	$ 5,291	$ 24,716
4,897	514	439	7,289	67	2,273	30,936	197,981
1,640	505	73	6,757	-	8	15,813	44,930
-	-	-	-	-	-	20	20
545	22	145	1,360	-	727	7,309	20,087
-	2	-	2	-	163	5	11,483
37,995	317	47	90	27,499	762	1,379	82,774
-	5,509	-	-	-	-	3,317	118,193
-	-	-	-	429	-	2	431
-	-	-	-	-	-	30,780	45,275
49	5	-	42	-	-	421	897
47,012	**7,636**	**742**	**15,954**	**28,655**	**4,751**	**95,273**	**546,787**
1,494	64	526	6,026	-	310	11,995	56,564
-	-	-	-	-	-	316	316
-	10,285	-	-	-	-	-	44,870
-	-	-	-	-	-	33	33
19,323	2,522	10,668	34,629	-	53,939	243,108	1,113,521
20,817	**12,871**	**11,194**	**40,655**	**0**	**54,249**	**255,452**	**1,215,304**
$ 67,829	**$ 20,507**	**$ 11,936**	**$ 56,609**	**$ 28,655**	**$ 59,000**	**$ 350,725**	**$ 1,762,091**

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Special Revenue Funds

For the Fiscal Year Ended September 30, 2001

(Amounts in Thousands)

	Education Trust Fund	Public Road and Bridge Fund	Medicaid	Human Resources	Public School Fund
REVENUES					
Taxes	$ 3,924,739	$ 319,092	$ 36,158	$ 93,183	$ 94,027
Licenses, Permits, and Fees	476	134,730	-	341	-
Fines, Forfeits, and Court Settlements	-	-	538	-	86
Investment Income	-	1,818	1,290	358	41
Federal Grants and Reimbursements	-	688,671	2,140,304	682,152	-
Other Revenues	1,104	23,572	645,500	80,579	303
Total Revenues	**3,926,319**	**1,167,883**	**2,823,790**	**856,613**	**94,457**
EXPENDITURES					
Current:					
Economic Development and Regulation	-	-	-	-	-
Education and Cultural Resources	2,805,342	-	-	26	72,294
Natural Resources and Recreation	14	-	-	-	-
Health - Physical and Mental	15,504	-	2,876,834	-	-
Social Services	31,245	-	-	907,645	-
Protection of Persons and Property	37,824	-	-	-	-
Transportation	-	1,080,184	-	-	-
General Government	3,576	-	-	-	-
Distributions to Local Governments	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service - Principal Retirement	7,276	18,676	-	2,425	-
Debt Service - Interest and Other Charges	4,835	4,293	-	1,791	-
Total Expenditures	**2,905,616**	**1,103,153**	**2,876,834**	**911,887**	**72,294**
Revenues Over (Under) Expenditures	**1,020,703**	**64,730**	**(53,044)**	**(55,274)**	**22,163**
OTHER FINANCING SOURCES (USES)					
Operating Transfers In	4,357	662	7	76,768	594
Operating Transfers from Component Units	6,543	-	60,273	-	-
Operating Transfers Out	(267,559)	(12,982)	(86)	(13,270)	-
Operating Transfers to Component Units	(856,898)	-	-	(447)	(20,268)
Bond Proceeds	-	-	-	-	-
Total Other Financing Sources (Uses)	**(1,113,557)**	**(12,320)**	**60,194**	**63,051**	**(19,674)**
Revenues and Other Sources Over (Under) Expenditures and Other Uses	**(92,854)**	**52,410**	**7,150**	**7,777**	**2,489**
Fund Balances, October 1, 2000	26,427	272,712	79,611	32,814	19,950
Restatements	393,281	(1,019)	39	4,721	14,558
Increase (Decrease) in Reserve for Inventory	-	-	-	-	-
Fund Balances, September 30, 2001	**$ 326,854**	**$ 324,103**	**$ 86,800**	**$ 45,312**	**$ 36,997**

Education Department	Economic and Community Affairs	Corrections	Public Health	Revenues Allocated to Local Governments	Children First Trust	Other Special Revenue Funds	Totals
$ 2,366	$ -	$ -	$ 278	$ 272,123	$ -	$ 122,012	$ 4,863,978
1,312	-	3,059	14,143	28,324	-	159,801	342,186
-	1,261	1,194	-	3	-	12,544	15,626
-	959	13	57	-	-	8,003	12,539
542,059	145,061	1,185	189,204	1,054	-	258,129	4,647,819
6,953	495	25,881	107,666	-	-	80,627	972,680
552,690	**147,776**	**31,332**	**311,348**	**301,504**	**0**	**641,116**	**10,854,828**
-	-	-	-	-	-	55,349	55,349
518,501	-	-	-	-	11,012	27,105	3,434,280
-	-	-	-	-	-	48,975	48,989
-	-	-	313,639	-	5,490	52,759	3,264,226
31,790	43,180	-	-	-	10,110	178,231	1,202,201
-	25,112	30,452	-	-	3,672	169,505	266,565
-	-	-	-	-	-	2,749	1,082,933
-	80,838	-	-	-	675	143,469	228,558
-	-	-	-	301,913	-	18,643	320,556
-	-	-	-	-	-	2,450	2,450
-	-	-	709	-	-	1,542	30,628
-	-	-	179	-	-	269	11,367
550,291	**149,130**	**30,452**	**314,527**	**301,913**	**30,959**	**701,046**	**9,948,102**
2,399	**(1,354)**	**880**	**(3,179)**	**(409)**	**(30,959)**	**(59,930)**	**906,726**
4,826	7,271	949	16,258	409	-	106,443	218,544
-	-	-	-	-	55,347	1,881	124,044
-	(3,633)	(6,584)	(237)	-	(103)	(31,560)	(336,014)
-	-	-	-	-	(510)	(3)	(878,126)
-	-	-	-	-	-	5,287	5,287
4,826	**3,638**	**(5,635)**	**16,021**	**409**	**54,734**	**82,048**	**(866,265)**
7,225	**2,284**	**(4,755)**	**12,842**	**0**	**23,775**	**22,118**	**40,461**
13,592	10,587	15,949	35,875	-	30,474	233,439	771,430
-	-	-	(8,062)	-	-	7	403,525
-	-	-	-	-	-	(112)	(112)
$ 20,817	**$ 12,871**	**$ 11,194**	**$ 40,655**	**$ 0**	**$ 54,249**	**$ 255,452**	**$ 1,215,304**

COMBINING BALANCE SHEET
Other Special Revenue Funds

September 30, 2001
(Amounts in Thousands)

	Revenue Administrative Fund	Industrial Relations	Conservation and Natural Resources	Environmental Management	Senior Services
ASSETS					
Cash and Cash Equivalents	$ 4,807	$ 14,404	$ 35,120	$ 6,864	$ 368
Investments	-	-	13	16,553	-
Accounts Receivable	-	-	225	-	-
Taxes Receivable	249	-	265	-	-
Interest and Dividends Receivable	-	-	-	-	-
Due from Other Funds	3	337	325	1,136	401
Due from Component Units	-	-	9	10	-
Due from Other Governments	-	166	-	-	-
Inventory	-	-	-	-	-
Other Assets	-	-	-	-	-
TOTAL ASSETS	**$ 5,059**	**$ 14,907**	**$ 35,957**	**$ 24,563**	**$ 769**
LIABILITIES AND FUND BALANCES					
Liabilities					
Warrants Payable	$ 44	$ 71	$ 68	$ 813	$ -
Accounts Payable	1,535	1,242	1,167	4,487	75
Salaries Payable	3,159	3,041	1,443	1,443	49
Interest Payable	-	-	-	-	-
Due to Other Funds	1,601	234	516	1,476	83
Due to Component Units	-	-	-	-	-
Due to Other Governments	7	18	39	245	-
Deferred Revenue	-	629	642	-	16
Amounts Held Pending Distribution	-	-	-	-	-
Amounts Held in Custody for Others	228	-	75	-	-
Compensated Absences	42	77	91	10	-
Total Liabilities	**6,616**	**5,312**	**4,041**	**8,474**	**223**
Fund Balances					
Reserved for Encumbrances	802	845	1,141	22	-
Reserved for Inventory	-	-	-	-	-
Reserved for Donor Restrictions	-	-	-	-	-
Unreserved, Undesignated	(2,359)	8,750	30,775	16,067	546
Total Fund Balances	**(1,557)**	**9,595**	**31,916**	**16,089**	**546**
TOTAL LIABILITIES AND FUND BALANCES	**$ 5,059**	**$ 14,907**	**$ 35,957**	**$ 24,563**	**$ 769**

Professional and Occupational Boards	Rehabilitation Services	Emergency Management	Miscellaneous Special Revenue Funds	Totals
$ 27,229	$ 15,401	$ 1,129	$ 203,213	$ 308,535
3,833	-	-	12,885	33,284
5	-	-	69	299
-	-	-	2,051	2,565
-	-	-	1	1
2	-	-	1,690	3,894
-	14	-	16	49
-	-	-	1,606	1,772
-	169	-	147	316
-	-	-	10	10
$ 31,069	**$ 15,584**	**$ 1,129**	**$ 221,688**	**$ 350,725**
$ 218	$ 166	$ 521	$ 3,390	$ 5,291
606	9,026	69	12,729	30,936
497	1,344	97	4,740	15,813
20	-	-	-	20
722	370	14	2,293	7,309
-	4	1	-	5
4	155	-	911	1,379
705	-	-	1,325	3,317
-	-	-	2	2
687	-	3	29,787	30,780
37	11	-	153	421
3,496	**11,076**	**705**	**55,330**	**95,273**
378	2,056	39	6,712	11,995
-	169	-	147	316
-	-	-	33	33
27,195	2,283	385	159,466	243,108
27,573	**4,508**	**424**	**166,358**	**255,452**
$ 31,069	**$ 15,584**	**$ 1,129**	**$ 221,688**	**$ 350,725**

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Other Special Revenue Funds

For the Fiscal Year Ended September 30, 2001

(Amounts in Thousands)

	Revenue Administrative Fund	Industrial Relations	Conservation and Natural Resources	Environmental Management	Senior Services
REVENUES					
Taxes	$ 77,278	$ 2,883	$ 4,379	$ 98	$ -
Licenses, Permits, and Fees	1,186	84	18,834	22,437	-
Fines, Forfeits, and Court Settlements	2	-	779	1,295	-
Investment Income	-	385	899	2,092	-
Federal Grants and Reimbursements	-	52,790	11,848	14,942	18,008
Other Revenues	1,903	4,246	6,405	355	10,346
Total Revenues	**80,369**	**60,388**	**43,144**	**41,219**	**28,354**
EXPENDITURES					
Current:					
Economic Development and Regulation	-	-	-	-	-
Education and Cultural Resources	-	-	-	-	-
Natural Resources and Recreation	-	-	38,050	-	-
Health - Physical and Mental	-	-	-	51,348	-
Social Services	-	61,227	-	-	28,287
Protection of Persons and Property	-	7,438	-	-	-
Transportation	-	-	-	-	-
General Government	80,235	-	-	-	-
Distributions to Local Governments	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service - Principal Retirement	27	-	-	-	-
Debt Service - Interest and Other Charges	4	53	-	-	-
Total Expenditures	**80,266**	**68,718**	**38,050**	**51,348**	**28,287**
Revenues Over (Under) Expenditures	**103**	**(8,330)**	**5,094**	**(10,129)**	**67**
OTHER FINANCING SOURCES (USES)					
Operating Transfers In	5,496	8,438	6,780	5,639	7
Operating Transfers from Component Units	-	-	-	616	-
Operating Transfers Out	(8,031)	(252)	(3,207)	(952)	-
Operating Transfers to Component Units	(3)	-	-	-	-
Bond Proceeds	-	-	-	-	-
Total Other Financing Sources (Uses)	**(2,538)**	**8,186**	**3,573**	**5,303**	**7**
Revenues and Other Sources Over (Under) Expenditures and Other Uses	**(2,435)**	**(144)**	**8,667**	**(4,826)**	**74**
Fund Balances, October 1, 2000	707	9,915	23,249	20,915	472
Restatements	197	(176)	-	-	-
Increase (Decrease) in Reserve for Inventory	(26)	-	-	-	-
Fund Balances, September 30, 2001	**$ (1,557)**	**$ 9,595**	**$ 31,916**	**$ 16,089**	**$ 546**

Professional and Occupational Boards	Rehabilitation Services	Emergency Management	Miscellaneous Special Revenue Funds	Totals
$ -	$ -	$ -	$ 37,374	$ 122,012
25,308	-	10	91,942	159,801
2,094	1,554	-	6,820	12,544
657	-	-	3,970	8,003
144	57,945	51,177	51,275	258,129
963	13,830	809	41,770	80,627
29,166	**73,329**	**51,996**	**233,151**	**641,116**
2,062	-	-	53,287	55,349
-	4,774	-	22,331	27,105
10	-	-	10,915	48,975
-	-	-	1,411	52,759
-	69,247	-	19,470	178,231
23,853	-	51,675	86,539	169,505
-	-	-	2,749	2,749
73	-	-	63,161	143,469
-	-	-	18,643	18,643
-	-	-	2,450	2,450
-	-	-	1,515	1,542
-	-	-	212	269
25,998	**74,021**	**51,675**	**282,683**	**701,046**
3,168	**(692)**	**321**	**(49,532)**	**(59,930)**
-	-	-	80,083	106,443
-	-	-	1,265	1,881
(683)	(129)	(6)	(18,300)	(31,560)
-	-	-	-	(3)
-	-	-	5,287	5,287
(683)	**(129)**	**(6)**	**68,335**	**82,048**
2,485	**(821)**	**315**	**18,803**	**22,118**
25,098	5,359	109	147,615	233,439
6	-	-	(20)	7
(16)	(30)	-	(40)	(112)
$ 27,573	**$ 4,508**	**$ 424**	**$ 166,358**	**$ 255,452**

ALABAMA
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GREAT SEAL

Debt Service Funds

Debt Service Funds account for the accumulation of resources which are used for the payment of general long-term debt principal and interest.

Industrial Access Road and Bridge Authority accounts for the accumulation of resources used to pay the interest and principal on debt issued by the Industrial Access Road and Bridge Authority. All debt issued by the authority is used to finance the construction of roads and bridges.

Corrections Institution Finance Authority accounts for the accumulation of resources used to pay the interest and principal on debt issued by the Authority for the purpose of financing the construction and renovation of State prisons.

Judicial Building Authority accounts for the accumulation of resources used to pay the interest and principal or debt issued by the Authority for the purpose of financing the construction of facilities used by the unified judicial system.

Public Health Care Authority accounts for the accumulation of resources used to pay the interest and principal on debt issued by the Authority for the purpose of financing the construction of public health facilities.

General Obligation Bonds account for the accumulation of resources used to pay the interest and principal on general obligation bonds.

COMBINING BALANCE SHEET
Debt Service Funds

September 30, 2001

(Amounts in Thousands)

	Industrial Access Road and Bridge Authority	Corrections Institution Finance Authority	Judicial Building Authority	Public Health Care Authority	General Obligation Bonds
ASSETS					
Cash and Cash Equivalents	$ 4	$ 986	$ 3,657	$ -	$ 313
Investments	-	-	-	3,956	-
Interest and Dividends Receivable	-	-	-	30	-
TOTAL ASSETS	**$ 4**	**$ 986**	**$ 3,657**	**$ 3,986**	**$ 313**
LIABILITIES AND FUND BALANCES					
Liabilities					
Due to Other Funds	$ -	$ -	$ -	$ 169	$ -
Total Liabilities	**0**	**0**	**0**	**169**	**0**
Fund Balances					
Unreserved, Designated for Debt Retirement	4	986	3,657	3,817	313
Total Fund Balances	**4**	**986**	**3,657**	**3,817**	**313**
TOTAL LIABILITIES AND FUND BALANCES	**$ 4**	**$ 986**	**$ 3,657**	**$ 3,986**	**$ 313**

Totals
$ 4,960
3,956
30
$ 8,946
$ 169
169
8,777
8,777
$ 8,946

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Debt Service Funds

For the Fiscal Year Ended September 30, 2001

(Amounts in Thousands)

	Industrial Access Road and Bridge Authority	Corrections Institution Finance Authority	Judicial Building Authority	Public Health Care Authority	General Obligation Bonds
REVENUES					
Investment Income	$ -	$ 1	$ 124	$ 332	$ 4
Other Revenues	-	-	3,976	3,261	-
Total Revenues	**0**	**1**	**4,100**	**3,593**	**4**
EXPENDITURES					
Debt Service - Principal Retirement	3,676	4,541	1,775	763	-
Debt Service - Interest and Other Charges	735	2,183	2,198	1,274	-
Total Expenditures	**4,411**	**6,724**	**3,973**	**2,037**	**0**
Revenues Over (Under) Expenditures	**(4,411)**	**(6,723)**	**127**	**1,556**	**4**
OTHER FINANCING SOURCES (USES)					
Operating Transfers In	3,391	6,584	-	-	-
Operating Transfers Out	-	-	-	(277)	-
Bond Proceeds	-	-	-	-	309
Total Other Financing Sources (Uses)	**3,391**	**6,584**	**0**	**(277)**	**309**
Revenues and Other Sources Over (Under) Expenditures and Other Uses	**(1,020)**	**(139)**	**127**	**1,279**	**313**
Fund Balances, October 1, 2000	1,024	1,125	3,530	2,991	-
Restatements	-	-	-	(453)	-
Fund Balances, September 30, 2001	**$ 4**	**$ 986**	**$ 3,657**	**$ 3,817**	**$ 313**

Totals
$ 461
7,237
7,698
10,755
6,390
17,145
(9,447)
9,975
(277)
309
10,007
560
8,670
(453)
$ 8,777

ALABAMA
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GREAT SEAL

Capital Projects Funds

Capital Projects Funds account for the acquisition, construction, and improvement of governmental general fixed assets.

Industrial Access Road and Bridge Authority accounts for the proceeds of debt issued by the Industrial Access Road and Bridge Authority. The proceeds are used to finance the construction of roads and bridges.

Corrections Institution Finance Authority accounts for the proceeds of debt issued by the Authority for the purpose of financing the construction and renovation of State prisons.

Judicial Building Authority accounts for the proceeds of debt issued by the Authority for the purpose of financing the construction of facilities for the unified judicial system.

General Obligation Bond Projects accounts for the proceeds of general obligation debt issued by the State for a variety of projects.

State Parks Improvement Corporation accounts for the proceeds of debt issued by the State for the purpose of financing renovations to the State Parks System.

Other Capital Project Funds account for the proceeds of all other debt issued by the State to fund capital projects.

COMBINING BALANCE SHEET
Capital Projects Funds

September 30, 2001

(Amounts in Thousands)

	Industrial Access Road and Bridge Authority	Corrections Institution Finance Authority	Judicial Building Authority	General Obligation Bond Projects	State Parks Improvement Corporation
ASSETS					
Cash and Cash Equivalents	$ 5,196	$ 4	$ -	$ 79,112	$ 101,585
TOTAL ASSETS	**$ 5,196**	**$ 4**	**$ 0**	**$ 79,112**	**$ 101,585**
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	$ -	$ -	$ -	$ -	$ 161
Total Liabilities	**0**	**0**	**0**	**0**	**161**
Fund Balances					
Unreserved, Designated for Capital Projects	5,196	4	-	79,112	101,424
Total Fund Balances	**5,196**	**4**	**0**	**79,112**	**101,424**
TOTAL LIABILITIES AND FUND BALANCES	**$ 5,196**	**$ 4**	**$ 0**	**$ 79,112**	**$ 101,585**

Other Capital Project Funds	Totals
$ 1,315	$ 187,212
$ 1,315	**$ 187,212**
$ -	$ 161
0	**161**
1,315	187,051
1,315	**187,051**
$ 1,315	**$ 187,212**

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Capital Projects Funds

For the Fiscal Year Ended September 30, 2001

(Amounts in Thousands)

	Industrial Access Road and Bridge Authority	Corrections Institution Finance Authority	Judicial Building Authority	General Obligation Bond Projects	State Parks Improvement Corporation
REVENUES					
Investment Income	$ 252	$ -	$ -	$ 1,695	$ 1,010
Total Revenues	**252**	**0**	**0**	**1,695**	**1,010**
EXPENDITURES					
Capital Outlay	-	-	2	22	-
Debt Service - Interest and Other Charges	-	-	-	381	376
Total Expenditures	**0**	**0**	**2**	**403**	**376**
Revenues Over (Under) Expenditures	**252**	**0**	**(2)**	**1,292**	**634**
OTHER FINANCING SOURCES (USES)					
Operating Transfers In	-	-	-	17,231	-
Operating Transfers Out	(78)	-	-	(17,231)	-
Bond Proceeds	-	-	-	76,168	100,790
Total Other Financing Sources (Uses)	**(78)**	**0**	**0**	**76,168**	**100,790**
Revenues and Other Sources Over (Under) Expenditures and Other Uses	**174**	**0**	**(2)**	**77,460**	**101,424**
Fund Balances, October 1, 2000	5,022	4	2	1,652	-
Fund Balances, September 30, 2001	**$ 5,196**	**$ 4**	**$ 0**	**$ 79,112**	**$ 101,424**

Other Capital Project Funds	Totals
$ 52	$ 3,009
52	**3,009**
-	24
-	757
0	**781**
52	**2,228**
-	17,231
-	(17,309)
-	176,958
0	**176,880**
52	**179,108**
1,263	7,943
$ 1,315	**$ 187,051**

ALABAMA
TENNESSEE
MISSISSIPPI
GEORGIA
FLORIDA
GREAT SEAL

Enterprise Funds

Enterprise Funds are used to account for the operations of State agencies that provide goods and services to the public in a manner similar to private business enterprises. The cost of providing the goods or services are recovered primarily through user charges.

Alcoholic Beverage Control Board operates facilities for the distribution and sale of alcoholic beverages.

State Parks operates state park and recreational facilities.

Prepaid Affordable College Tuition Fund provides for the operation of the Prepaid Affordable College Tuition program (PACT).

State Port Authority provides service for shippers including warehousing, loading, and bulk cargo handling.

Local Government Employees' Health Insurance is a public entity risk pool providing health insurance coverage for the employees of local governments.

Alabama Health Insurance Plan provides health insurance coverage for citizens who have lost their group health insurance.

Other Enterprise Funds are aggregated for reporting purposes to account for other small enterprise funds operated by the State, including the Guaranteed Student Loan Program, the Motor Sports Hall of Fame and the canteen funds of the National Guard and Department of Corrections.

COMBINING BALANCE SHEET
Enterprise Funds

September 30, 2001
(Amounts in Thousands)

	Alcoholic Beverage Control Board	State Parks	Prepaid Affordable College Tuition	State Port Authority	Local Government Employees' Health Insurance
ASSETS					
Current Assets					
Cash and Cash Equivalents	$ 18,783	$ 29,816	$ 20,135	$ 6,108	$ 2,944
Investments, Short-term	-	-	-	6,179	7,067
Accounts Receivable	923	201	365	11,714	-
Taxes Receivable	-	1,144	-	-	-
Interest and Dividends Receivable	-	-	3,024	35	346
Due from Other Funds	68	4	45	-	-
Due from Other Governments	-	-	-	-	144
Inventory	15,048	428	-	3,340	-
Other Current Assets	-	-	-	805	187
Total Current Assets	**34,822**	**31,593**	**23,569**	**28,181**	**10,688**
Noncurrent Assets					
Investments, Long-term	-	-	509,555	-	19,059
Other Noncurrent Assets	-	-	74,291	6,577	-
Restricted Assets	-	-	-	21,741	-
Fixed Assets (Net of Accumulated Depreciation)	1,139	32,993	6	317,204	-
Total Noncurrent Assets	**1,139**	**32,993**	**583,852**	**345,522**	**19,059**
TOTAL ASSETS	**$ 35,961**	**$ 64,586**	**$ 607,421**	**$ 373,703**	**$ 29,747**
LIABILITIES AND FUND EQUITY					
Liabilities					
Warrants Payable	$ 110	$ 113	$ 549	$ -	$ -
Accounts Payable	19,616	1,213	618	4,076	1,971
Salaries Payable	1,490	938	18	756	-
Due to Other Funds	10,222	25	52	-	9
Due to Component Units	3,402	-	-	-	4
Due to Other Governments	911	120	-	-	-
Deferred Revenue	115	105	-	-	1,371
Funds Held in Escrow	1	-	-	-	-
Compensated Absences	39	1	-	2,921	-
Insurance Claims Incurred But Not Reported	-	-	-	-	5,146
Notes Payable	-	-	-	-	-
Revenue Bonds Payable	-	-	-	4,745	-
Capital Leases	-	131	-	1,053	-
Other Current Liabilities	-	-	-	3,956	-
Total Current Liabilities	**35,906**	**2,646**	**1,237**	**17,507**	**8,501**
Long-term Liabilities					
Deferred Revenue, Noncurrent	-	-	-	7,078	-
Compensated Absences	4,882	2,310	53	-	-
Notes Payable	-	-	-	-	-
Revenue Bonds Payable	-	-	-	172,248	-
Capital Leases Payable	-	103	-	2,831	-
Other Long-term Liabilities	-	-	563,221	-	-
Total Long-term Liabilities	**4,882**	**2,413**	**563,274**	**182,157**	**0**
Total Liabilities	**40,788**	**5,059**	**564,511**	**199,664**	**8,501**
Fund Equity					
Contributed Capital - State	103	148	-	76,883	-
Contributed Capital - Federal	-	-	-	23,655	-
Retained Earnings, Unreserved	(4,930)	59,379	42,910	73,501	21,246
Total Fund Equity	**(4,827)**	**59,527**	**42,910**	**174,039**	**21,246**
TOTAL LIABILITIES AND FUND EQUITY	**$ 35,961**	**$ 64,586**	**$ 607,421**	**$ 373,703**	**$ 29,747**

Alabama Health Insurance Plan	Other Enterprise Funds	Totals
$ 5,051	$ 3,460	$ 86,297
-	-	13,246
79	83	13,365
-	-	1,144
-	-	3,405
-	-	117
-	-	144
-	502	19,318
-	-	992
5,130	**4,045**	**138,028**
-	-	528,614
-	-	80,868
-	-	21,741
-	5,613	356,955
0	**5,613**	**988,178**
$ 5,130	**$ 9,658**	**$ 1,126,206**
$ -	$ 6	$ 778
14	343	27,851
-	31	3,233
11	80	10,399
-	-	3,406
-	4	1,035
378	-	1,969
-	-	1
-	-	2,961
2,412	-	7,558
-	22	22
-	-	4,745
-	-	1,184
1,846	-	5,802
4,661	**486**	**70,944**
-	-	7,078
-	70	7,315
-	1,397	1,397
-	-	172,248
-	-	2,934
-	-	563,221
0	**1,467**	**754,193**
4,661	**1,953**	**825,137**
-	-	77,134
-	-	23,655
469	7,705	200,280
469	**7,705**	**301,069**
$ 5,130	**$ 9,658**	**$ 1,126,206**

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND EQUITY
Enterprise Funds

For the Fiscal Year Ended September 30, 2001

(Amounts in Thousands)

	Alcoholic Beverage Control Board	State Parks	Prepaid Affordable College Tuition	State Port Authority	Local Government Employees' Health Insurance
OPERATING REVENUES					
Charges for Goods and Services	$ 175,219	$ 24,217	$ 867	$ 67,927	$ -
Investment Income	3	-	(84,165)	-	1,244
Insurance Premiums	-	-	-	-	43,483
Rents and Leases	-	16	-	-	-
Sale of Land, Timber, and Minerals	-	37	-	-	-
Total Operating Revenues	**175,222**	**24,270**	**(83,298)**	**67,927**	**44,727**
OPERATING EXPENSES					
Salaries, Wages, and Benefits	26,637	16,911	352	-	-
Utilities and Communications	1,555	3,766	31	-	-
Professional Services	630	978	2,675	-	4
Supplies, Materials, and Operating Expenses	129,341	4,464	101	-	-
Depreciation	796	2,822	5	13,645	-
Insurance Claims	-	-	-	-	41,740
Tuition Benefits Expense	-	-	50,363	-	-
Operations and Maintenance	-	-	-	35,452	-
General and Administrative	-	-	-	8,628	-
Other	6,697	3,776	33	-	-
Total Operating Expenses	**165,656**	**32,717**	**53,560**	**57,725**	**41,744**
Operating Income (Loss)	**9,566**	**(8,447)**	**(136,858)**	**10,202**	**2,983**
NONOPERATING REVENUES (EXPENSES)					
Taxes	7,310	11,315	-	-	-
Investment Income	-	-	-	2,051	-
Other Nonoperating Revenues	2,124	458	8	133	-
Interest Expense	-	(20)	-	(10,585)	-
Other Nonoperating Expenses	-	-	-	(794)	-
Total Nonoperating Revenues (Expenses)	**9,434**	**11,753**	**8**	**(9,195)**	**0**
Income (Loss) Before Operating Transfers	**19,000**	**3,306**	**(136,850)**	**1,007**	**2,983**
TRANSFERS					
Operating Transfers In	-	4,233	-	-	-
Operating Transfers Out	(18,734)	(2,124)	-	(48)	(848)
Total Transfers	**(18,734)**	**2,109**	**0**	**(48)**	**(848)**
Net Income (Loss) Before Extraordinary Items	**266**	**5,415**	**(136,850)**	**959**	**2,135**
Extraordinary Income (Loss)	-	48	-	-	-
Net Income (Loss)	**266**	**5,463**	**(136,850)**	**959**	**2,135**
Fund Equity, October 1, 2000	(5,197)	50,156	179,760	173,080	19,110
Restatements	1	3,908	-	-	1
Increase (Decrease) in Contributed Capital	103	-	-	-	-
Fund Equity, September 30, 2001	**$ (4,827)**	**$ 59,527**	**$ 42,910**	**$ 174,039**	**$ 21,246**

Alabama Health Insurance Plan	Other Enterprise Funds	Totals
$ -	$ 16,437	$ 284,667
-	59	(82,859)
13,077	-	56,560
-	149	165
-	-	37
13,077	**16,645**	**258,570**
-	865	44,765
-	148	5,500
60	335	4,682
124	11,319	145,349
-	268	17,536
19,841	-	61,581
-	-	50,363
-	-	35,452
-	-	8,628
-	3,023	13,529
20,025	**15,958**	**387,385**
(6,948)	**687**	**(128,815)**
8,344	-	26,969
189	19	2,259
-	158	2,881
-	(99)	(10,704)
-	(40)	(834)
8,533	**38**	**20,571**
1,585	**725**	**(108,244)**
-	132	4,365
-	(1,083)	(22,837)
0	**(951)**	**(18,472)**
1,585	**(226)**	**(126,716)**
-	-	48
1,585	**(226)**	**(126,668)**
(1,116)	9,003	424,796
-	(1,072)	2,838
-	-	103
$ 469	**$ 7,705**	**$ 301,069**

COMBINING STATEMENT OF CASH FLOWS
Enterprise Funds

For the Fiscal Year Ended September 30, 2001
(Amounts in Thousands)

	Alcoholic Beverage Control Board	State Parks	Prepaid Affordable College Tuition	State Port Authority
Cash Flows From Operating Activities				
Operating Income (Loss)	$ 9,566	$ (8,447)	$ (136,858)	$ 10,202
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Investment Income	(3)	-	84,165	-
Taxes	7,310	11,315	-	-
Other Nonoperating Revenues	2,122	439	8	(133)
Depreciation	796	2,822	5	13,645
(Increase) Decrease in Assets:				
Accounts Receivable	181	(229)	(29)	(2,366)
Due From Other Funds	(68)	(4)	3	-
Due From Other Governments	-	-	-	-
Inventory	(1,315)	30	-	(624)
Other Assets	-	-	(38,561)	643
Increase (Decrease) in Liabilities:				
Accounts Payable	697	239	(1,190)	(391)
Due to Other Funds	(1,547)	6	1	-
Due To Component Units	69	-	-	-
Due to Other Governments	(266)	5	-	-
Deferred Revenues	75	2	-	133
Salaries Payable	19	20	(4)	238
Compensated Absences	153	38	1	248
Insurance Claims Incurred But Not Reported	-		-	-
Other Liabilities	-	-	94,795	(664)
Amounts Held In Custody for Others	(1)	-	-	-
Net Cash Provided by (Used In) Operating Activities	**17,788**	**6,236**	**2,336**	**20,931**
Cash Flows From Noncapital Financing Activities:				
Operating Transfers In	-	4,233	-	-
Operating Transfers Out	(18,734)	(2,124)	-	(48)
Net Cash Provided By (Used In) Noncapital Financing Activities	**(18,734)**	**2,109**	**0**	**(48)**
Cash Flows From Capital and Related Financing Activities:				
Principal Payments on Revenue Bonds and Other Debt		(214)	-	(2,704)
Interest Payments on Revenue Bonds and Other Debt	-	(20)	-	(10,781)
Proceeds From Sale of Capital Assets	49	70	-	1,934
Payments to Acquire or Construct Capital Assets	(250)	(4,425)	(2)	(14,882)
Net Cash Provided By (Used In) Capital and Related Financing Activities	**(201)**	**(4,589)**	**(2)**	**(26,433)**
Cash Flows From Investing Activities				
Purchase of Investments	-		(289,009)	(10,043)
Proceeds From Sale and Maturities of Investments	-	-	271,726	6,980
Interest and Dividends on Investments	3	-	5,684	2,074
Net Cash Provided By (Used In) Investing Activities	**3**	**0**	**(11,599)**	**(989)**
Net Increase (Decrease) In Cash and Cash Equivalents	**(1,144)**	**3,756**	**(9,265)**	**(6,539)**
Cash Balance, October 1, 2000	19,817	25,947	28,851	24,802
Restatements and Reclassifications	-	-	-	-
Cash Balance, September 30, 2001	**18,673**	**29,703**	**19,586**	**18,263**
Add: Warrants Payable	110	113	549	-
Less: Restricted Cash	-	-	-	(12,155)
Cash and Cash Equivalents, as Reported on Balance Sheet	**$ 18,783**	**$ 29,816**	**$ 20,135**	**$ 6,108**

Local Government Employees' Health Insurance	Alabama Health Insurance Plan	Other Enterprise Funds	Totals
$ 2,983	$ (6,948)	$ 687	$ (128,815)
(1,244)		(59)	82,859
-	8,344	-	26,969
-	-	145	2,581
-	-	268	17,536
-	24	100	(2,319)
-	-	-	(69)
(62)	-	-	(62)
-	-	34	(1,875)
(48)	-	-	(37,966)
1,672	3	10	1,040
-	(9)	16	(1,533)
4	-	-	73
-	-	-	(261)
(150)	337	-	397
-	-	(7)	266
-	-	19	459
2,334	118	-	2,452
-	572	-	94,703
-	-	-	(1)
5,489	**2,441**	**1,213**	**56,434**
-	-	132	4,365
(820)	-	(1,043)	(22,769)
(820)	**0**	**(911)**	**(18,404)**
-	-	(21)	(2,939)
-	-	(99)	(10,900)
-	-	68	2,121
-	-	(20)	(19,579)
0	**0**	**(72)**	**(31,297)**
(138,039)	-	-	(437,091)
131,685	-	-	410,391
1,513	189	78	9,541
(4,841)	**189**	**78**	**(17,159)**
(172)	**2,630**	**308**	**(10,426)**
3,116	2,421	4,146	109,100
-	-	(1,000)	(1,000)
2,944	**5,051**	**3,454**	**97,674**
-	-	6	778
-	-	-	(12,155)
$ **2,944**	$ **5,051**	$ **3,460**	$ **86,297**

Continued on next page...

COMBINING STATEMENT OF CASH FLOWS
Enterprise Funds
(Continued from previous page)
For the Fiscal Year Ended September 30, 2001
(Amounts in Thousands)

	Alcoholic Beverage Control Board	State Parks	Prepaid Affordable College Tuition	State Port Authority
Noncash Investing, Capital, and Financing Activities				
Increase (Decrease):				
Disposals and Write-offs of Fixed Assets	(343)	(621)	-	
Transfers and Donations of Fixed Assets	109	-	-	-
Prior Period Adjustments to Fixed Assets	57	(1,347)	-	-
Assets Acquired, But Will Be Paid For In Following Fiscal Year	42	258	-	
Interest Accruals and Amortizations	-	-	55	-
Unrealized Gains (Losses) In Investment Fair Value	-	-	(89,359)	-
Investment Accruals and Other Adjustments	-	-	-	-
In Investments From Change in Fair Values	-	-	(89,359)	-
Operating Transfer In (Out)	-	-	-	-
Revenue Bond Amortizations and Other Debt Adjustments	-	-	-	531

Local Government Employees' Health Insurance	Alabama Health Insurance Plan	Other Enterprise Funds	Totals
-	-	(27)	(991)
-	-	(40)	69
	-	(72)	(1,362)
-	-	-	300
377	-	-	432
(653)	-	-	(90,012)
114	-	-	114
(653)	-	-	(90,012)
(28)	-	(40)	(68)
		-	531

ALABAMA
TENNESSEE
MISSISSIPPI
GEORGIA
FLORIDA
GREAT SEAL

Internal Service Funds

Internal Service Funds are maintained to account for the operation of State agencies which provide goods and services to other State agencies on a cost-reimbursement basis.

Information Services Fund provides equipment, computer services, information technology, and planning and coordination in equipment and system selection.

Telecommunications provide for the coordination and promotion of the efficiency in the acquisition, operation and maintenance of telecommunications equipment, systems, and networks used by state agencies.

Service Division accounts for mail, supply, and motor pool services provided to state agencies.

Printing and Publications provide printing services to State agencies.

State Employees' Health Insurance provides health insurance coverage for state employees.

Public Education Employees' Health Insurance provides health insurance coverage for employees of school systems and junior colleges.

Correctional Industries and Farms account for the agricultural operations and manufacturing activities of the State's correctional facilities.

State and Federal Surplus Property account for the transfer and sale of surplus property originating from both the federal and state governments.

Building Renovation Finance Authority accounts for the rental and maintenance of the buildings in the State Capitol Complex.

Public Road and Bridge Internal Service Fund accounts for activities and resources used to produce goods and services for other highway funds and agencies on a cost-reimbursement basis.

Risk Management accounts for the resources used to provide insurance coverage for State buildings, school buildings, and their contents against fire and casualty losses. Risk Management also insures state employees against work related injuries as well as the risk of loss from employment-related liability claims.

Other Internal Service Funds account for other small internal service funds operated by the Finance Department and the Military Department.

COMBINING BALANCE SHEET
Internal Service Funds

September 30, 2001
(Amounts in Thousands)

	Information Services Fund	Telecom-munications	Service Division	Printing and Publications	State Employees' Health Insurance
ASSETS					
Current Assets					
Cash and Cash Equivalents	$ 30,189	$ 4,676	$ 3,495	$ 1,111	$ 7,715
Investments, Short-term	-	-	-	-	44,249
Accounts Receivable	-	669	-	-	-
Interest and Dividends Receivable	-	-	-	-	183
Due from Other Funds	5,269	1,957	1,234	992	946
Due from Component Unit	274	60	47	67	2
Due from Other Governments	-	-	-	-	-
Inventory	-	-	1,144	448	-
Other Current Assets	-	-	-	-	-
Total Current Assets	**35,732**	**7,362**	**5,920**	**2,618**	**53,095**
Noncurrent Assets					
Investments, Long-term	-	-	-	-	6,270
Other Noncurrent Assets	-	-	-	-	-
Fixed Assets (Net of Accumulated Depreciation)	1,863	3,722	1,514	1,077	124
Total Noncurrent Assets	**1,863**	**3,722**	**1,514**	**1,077**	**6,394**
TOTAL ASSETS	**$ 37,595**	**$ 11,084**	**$ 7,434**	**$ 3,695**	**$ 59,489**
LIABILITIES AND FUND EQUITY					
Liabilities					
Warrants Payable	$ 1	$ 15	$ 463	$ 22	$ 131
Accounts Payable	795	1,313	135	166	1,990
Salaries Payable	416	156	44	56	85
Due to Other Funds	159	1,510	52	31	198
Due to Component Units	-	10	-	-	4
Due to Other Governments	9,076	-	-	-	-
Deferred Revenue	-	-	-	425	19,224
Funds Held in Escrow	3,648	31	-	-	-
Compensated Absences	20	8	-	-	-
Insurance Claims Incurred But Not Reported	-	-	-	-	15,800
Revenue Bonds Payable	-	-	-	-	-
Capital Leases	234	716	-	111	-
Other Current Liabilities	-	-	-	-	76
Total Current Liabilities	**14,349**	**3,759**	**694**	**811**	**37,508**
Long-term Liabilities					
Compensated Absences	1,053	487	86	445	257
Revenue Bonds Payable	-	-	-	-	-
Capital Leases Payable	461	999	-	135	-
Total Long-term Liabilities	**1,514**	**1,486**	**86**	**580**	**257**
Total Liabilities	**15,863**	**5,245**	**780**	**1,391**	**37,765**
Fund Equity					
Contributed Capital - State	2,842	3,389	500	378	-
Contributed Capital - Other	-	-	145	-	-
Retained Earnings Reserved for First Quarter Operations	-	-	-	-	-
Retained Earnings Reserved for Equipment Replacement	-	-	-	-	-
Retained Earnings, Unreserved	18,890	2,450	6,009	1,926	21,724
Total Fund Equity	**21,732**	**5,839**	**6,654**	**2,304**	**21,724**
TOTAL LIABILITIES AND FUND EQUITY	**$ 37,595**	**$ 11,084**	**$ 7,434**	**$ 3,695**	**$ 59,489**

Public Education Employees' Health Insurance	Correctional Industries and Farms	State and Federal Surplus Property	Building Renovation Finance Authority	Public Road and Bridge Internal Service Fund	Risk Management	Other Internal Service Funds	Totals
$ 661	$ 6,143	$ 680	$ 34,572	$ 56,196	$ 2,781	$ 620	$ 148,839
58,172	-	-	-	-	16,443	-	118,864
3,647	-	-	-	-	1,437	17	5,770
145	-	-	-	-	1,064	-	1,392
-	847	8	520	285	337	371	12,766
-	7	-	-	-	126	-	583
-	-	-	-	1,049	-	-	1,049
-	2,301	6,584	-	15,340	-	-	25,817
924	-	-	-	-	3,046	-	3,970
63,549	**9,298**	**7,272**	**35,092**	**72,870**	**25,234**	**1,008**	**319,050**
5,481	-	-	-	-	114,728	-	126,479
-	-	-	384	-	-	-	384
-	2,856	142	47,328	68,756	131	29	127,542
5,481	**2,856**	**142**	**47,712**	**68,756**	**114,859**	**29**	**254,405**
$ 69,030	**$ 12,154**	**$ 7,414**	**$ 82,804**	**$ 141,626**	**$ 140,093**	**$ 1,037**	**$ 573,455**
$ 16	$ 23	$ 1	$ -	$ 77	$ 234	$ -	$ 983
-	1,067	30	532	2,600	288	-	8,916
51	291	49	119	3,053	72	60	4,452
-	170	32	64	91	1,093	56	3,456
-	-	-	-	1	-	-	15
-	2	-	16	21	1	-	9,116
-	-	-	-	-	-	-	19,649
-	-	6,722	-	176	212	-	10,789
-	-	-	-	208	-	-	236
43,100	-	-	-	-	15,264	-	74,164
-	-	-	3,690	-	-	-	3,690
-	-	-	-	-	-	-	1,061
12,862	-	-	-	1	16,195	-	29,134
56,029	**1,553**	**6,834**	**4,421**	**6,228**	**33,359**	**116**	**165,661**
189	965	148	266	8,448	220	176	12,740
-	-	-	89,561	-	-	-	89,561
-	-	-	-	-	-	-	1,595
189	**965**	**148**	**89,827**	**8,448**	**220**	**176**	**103,896**
56,218	**2,518**	**6,982**	**94,248**	**14,676**	**33,579**	**292**	**269,557**
-	-	27	22	45,331	460	25	52,974
-	7	-	-	-	-	-	152
-	-	78	-	-	-	-	78
-	-	-	-	28,440	-	-	28,440
12,812	9,629	327	(11,466)	53,179	106,054	720	222,254
12,812	**9,636**	**432**	**(11,444)**	**126,950**	**106,514**	**745**	**303,898**
$ 69,030	**$ 12,154**	**$ 7,414**	**$ 82,804**	**$ 141,626**	**$ 140,093**	**$ 1,037**	**$ 573,455**

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND EQUITY
Internal Service Funds

For the Fiscal Year Ended September 30, 2001

(Amounts in Thousands)

	Information Services Fund	Telecom-munications	Service Division	Printing and Publications	State Employees' Health Insurance
OPERATING REVENUES					
Charges for Goods and Services	$ 24,602	$ 16,112	$ 9,683	$ 4,858	$ -
Investment Income	-	-	-	-	2,002
Insurance Premiums	-	-	-	-	216,574
Rents and Leases	-	-	-	-	-
Sale of Land, Timber, and Minerals	-	-	-	-	-
Total Operating Revenues	**24,602**	**16,112**	**9,683**	**4,858**	**218,576**
OPERATING EXPENSES					
Salaries, Wages, and Benefits	5,789	2,810	821	2,406	1,084
Utilities and Communications	308	13,387	20	139	103
Professional Services	3,769	1,456	130	102	4,026
Supplies, Materials, and Operating Expenses	1,787	734	7,666	1,583	86
Interest	-	-	-	-	-
Depreciation	1,602	1,890	542	468	45
Insurance Claims	-	-	-	-	205,346
Other	5,263	847	295	352	344
Total Operating Expenses	**18,518**	**21,124**	**9,474**	**5,050**	**211,034**
Operating Income (Loss)	**6,084**	**(5,012)**	**209**	**(192)**	**7,542**
NONOPERATING REVENUES (EXPENSES)					
Investment Income	-	-	-	-	-
Other Nonoperating Revenues	43	906	110	11	2
Interest Expense	(40)	(31)	-	(20)	-
Other Nonoperating Expenses	-	-	-	-	-
Total Nonoperating Revenues (Expenses)	**3**	**875**	**110**	**(9)**	**2**
Income (Loss) Before Operating Transfers	**6,087**	**(4,137)**	**319**	**(201)**	**7,544**
TRANSFERS					
Operating Transfers In	-	4,541	-	-	848
Operating Transfers from Component Units	-	-	-	-	-
Operating Transfers Out	(19)	(9)	(5)	(11)	(276)
Total Transfers	**(19)**	**4,532**	**(5)**	**(11)**	**572**
Net Income (Loss) Before Extraordinary Items	**6,068**	**395**	**314**	**(212)**	**8,116**
Extraordinary Income (Loss)	-	-	-	-	-
Net Income (Loss)	**6,068**	**395**	**314**	**(212)**	**8,116**
Fund Equity, October 1, 2000	15,585	5,457	6,332	2,516	13,608
Restatements	79	(13)	-	-	-
Increase (Decrease) in Contributed Capital	-	-	8	-	-
Fund Equity, September 30, 2001	**$ 21,732**	**$ 5,839**	**$ 6,654**	**$ 2,304**	**$ 21,724**

Public Education Employees' Health Insurance	Correctional Industries and Farms	State and Federal Surplus Property	Building Renovation Finance Authority	Public Road and Bridge Internal Service Fund	Risk Management	Other Internal Service Funds	Totals
$ -	$ 12,787	$ 2,044	$ -	$ 112,429	$ 1,412	$ 1,139	$ 185,066
4,467	-	-	-	-	7,122	-	13,591
517,257	-	-	-	-	21,809	-	755,640
-	-	-	14,836	-	-	234	15,070
-	89	-	-	-	-	-	89
521,724	**12,876**	**2,044**	**14,836**	**112,429**	**30,343**	**1,373**	**969,456**
852	5,106	846	2,129	53,033	1,327	867	77,070
17	557	43	2,556	9	121	17	17,277
100	712	64	972	12,096	3,206	370	27,003
13	8,904	1,126	322	9,403	6,887	24	38,535
-	-	-	5,350	-	-	-	5,350
-	429	87	3,683	11,191	71	16	20,024
508,056	-	-	-	-	13,743	-	727,145
2	1,655	338	656	14,046	4,962	135	28,895
509,040	**17,363**	**2,504**	**15,668**	**99,778**	**30,317**	**1,429**	**941,299**
12,684	**(4,487)**	**(460)**	**(832)**	**12,651**	**26**	**(56)**	**28,157**
-	-	-	1,227	-	-	-	1,227
-	596	12	272	-	3,276	-	5,228
-	-	-	-	-	-	-	(91)
-	-	-	-	(1,246)	-	(3)	(1,249)
0	**596**	**12**	**1,499**	**(1,246)**	**3,276**	**(3)**	**5,115**
12,684	**(3,891)**	**(448)**	**667**	**11,405**	**3,302**	**(59)**	**33,272**
-	2,429	366	3,494	886	-	-	12,564
-	-	-	-	-	-	282	282
(3)	(19)	(156)	(442)	-	(4)	(2)	(946)
(3)	**2,410**	**210**	**3,052**	**886**	**(4)**	**280**	**11,900**
12,681	**(1,481)**	**(238)**	**3,719**	**12,291**	**3,298**	**221**	**45,172**
-	-	-	-	-	4	-	4
12,681	**(1,481)**	**(238)**	**3,719**	**12,291**	**3,302**	**221**	**45,176**
131	11,117	670	(15,169)	114,001	102,752	524	257,524
-	-	-	6	658	-	-	730
-	-	-	-	-	460	-	468
$ 12,812	**$ 9,636**	**$ 432**	**$ (11,444)**	**$ 126,950**	**$ 106,514**	**$ 745**	**$ 303,898**

COMBINING STATEMENT OF CASH FLOWS
Internal Service Funds

For the Fiscal Year Ended September 30, 2001
(Amounts in Thousands)

	Information Services Fund	Telecom-munications	Service Division	Printing and Publications	State Employees' Health Insurance
Cash Flows From Operating Activities					
Operating Income (Loss)	$ 6,084	$ (5,012)	$ 209	$ (192)	$ 7,542
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Investment Income	-	-	-	-	(2,002)
Other Nonoperating Revenues	100	906	-	11	4
Operating Interest Expense	-	-	-	-	-
Other Nonoperating Expenses	-	-	-	-	-
Depreciation	1,602	1,890	542	468	45
(Increase) Decrease in Assets:					
Accounts Receivable	4	(61)	-		236
Due From Other Funds	7,471	1,527	(367)	616	(364)
Due From Component Units	7	9	(9)	(9)	(2)
Due From Other Governments	-	-	-	-	-
Inventory	-	-	(80)	(93)	-
Other Assets	-	-	-	-	177
Increase (Decrease) in Liabilities:					
Accounts Payable	(133)	(309)	(23)	(83)	1,593
Due to Other Funds	142	155	34	21	81
Due To Component Units	-	1	-	-	(5)
Due to Other Governments	-	-	-	-	-
Deferred Revenues	-	-	-	(143)	2,384
Salaries Payable	92	16	1	(78)	-
Compensated Absences	(109)	47	2	17	54
Insurance Claims Incurred But Not Reported	-	-	-	-	809
Other Liabilities	-	-	-	-	19
Amounts Held In Custody for Others	747	31	-	-	-
Net Cash Provided by (Used In) Operating Activities	**16,007**	**(800)**	**309**	**535**	**10,571**
Cash Flows From Noncapital Financing Activities:					
Operating Transfers In	-	4,539		-	820
Operating Transfers From Component Units	-	-	-	-	-
Operating Transfers Out	(19)	(9)	(5)	(11)	(276)
Net Cash Provided By (Used In) Noncapital Financing Activities	**(19)**	**4,530**	**(5)**	**(11)**	**544**
Cash Flows From Capital and Related Financing Activities:					
Principal Payments on Revenue Bonds and Other Debt	(224)	(329)	-	(272)	
Interest Payments on Revenue Bonds and Other Debt	(40)	(31)	-	(20)	-
Proceeds From Sale of Capital Assets	-	-	292	-	5
Payments to Acquire or Construct Capital Assets	(82)	(551)	(605)	(126)	(78)
Net Cash Provided By (Used In) Capital and Related Financing Activities	**(346)**	**(911)**	**(313)**	**(418)**	**(73)**
Cash Flows From Investing Activities					
Purchase of Investments	-	-	-	-	(330,402)
Proceeds From Sale and Maturities of Investments	-	-	-	-	322,076
Interest and Dividends on Investments	-	-	-	-	2,795
Net Cash Provided By (Used In) Investing Activities	**0**	**0**	**0**	**0**	**(5,531)**
Net Increase (Decrease) In Cash and Cash Equivalents	**15,642**	**2,819**	**(9)**	**106**	**5,511**
Cash Balance, October 1, 2000	14,546	1,842	3,041	983	2,073
Cash Balance, September 30, 2001	**30,188**	**4,661**	**3,032**	**1,089**	**7,584**
Add: Warrants Payable	1	15	463	22	131
Cash and Cash Equivalents, as Reported on Balance Sheet	**$ 30,189**	**$ 4,676**	**$ 3,495**	**$ 1,111**	**$ 7,715**

Public Education Employees' Health Insurance	Correctional Industries and Farms	State and Federal Surplus Property	Building Renovation Finance Authority	Public Road and Bridge Internal Service Fund	Risk Management	Other Internal Service Funds	Total
$ 12,684	$ (4,487)	$ (460)	$ (832)	$ 12,651	$ 26	$ (56)	$ 28,157
(4,467)	-	-	-	-	(7,122)	-	(13,591)
-	440	5	213	-	3,276	-	4,955
-	-	-	5,350		-	-	5,350
-	-	-	-	-	-	(3)	(3)
-	429	87	3,683	11,191	71	16	20,024
(1,276)	-	-		842	(951)	(7)	(1,213)
-	107	(8)	3,938	(113)	108	(349)	12,566
-	(7)	-	-	-	41	-	30
-	-	-	-	(917)	-	-	(917)
-	508	6,537	-	786	-	-	7,658
(722)			-	-	(493)	-	(1,038)
(3)	388	(156)	86	(2,501)	(944)	-	(2,085)
-	19	20	(2,416)	(253)	417	(12)	(1,792)
-	-	-	-	(1)	(2)	-	(7)
-	-	(3)	2	7	(47)	-	(41)
-	-	-	-	-	-	-	2,241
3	13	(4)	3	(91)	3	15	(27)
20	29	(19)	19	1,572	12	36	1,680
1,400	-	-	-	-	1,496	-	3,705
1,466	-	-	(8)	-	2,024	-	3,501
-	-	(6,425)	-	175	-	-	(5,472)
9,105	**(2,561)**	**(426)**	**10,038**	**23,348**	**(2,085)**	**(360)**	**63,681**
-	2,429	366	3,494		-		11,648
-	-	-	-	-	-	282	282
(3)	(19)	(156)	(442)	-	(4)	(2)	(946)
(3)	**2,410**	**210**	**3,052**	**0**	**(4)**	**280**	**10,984**
-	-	-	(2,690)		-		(3,515)
	-	-	(5,201)	-	-	-	(5,292)
-	77	-	-	2,915	-	-	3,289
-	(118)	(2)	(987)	(14,674)	(30)	(5)	(17,258)
0	**(41)**	**(2)**	**(8,878)**	**(11,759)**	**(30)**	**(5)**	**(22,776)**
(669,127)	-	-	-		(289,334)		(1,288,863)
655,588	-	-	-		285,161		1,262,825
4,612	-	-	1,227	-	5,989	-	14,623
(8,927)	**0**	**0**	**1,227**	**0**	**1,816**	**0**	**(11,415)**
175	**(192)**	**(218)**	**5,439**	**11,589**	**(303)**	**(85)**	**40,474**
470	6,312	897	29,133	44,530	2,850	705	107,382
645	**6,120**	**679**	**34,572**	**56,119**	**2,547**	**620**	**147,856**
16	23	1	-	77	234	-	983
$ 661	$ 6,143	$ 680	$ 34,572	$ 56,196	$ 2,781	$ 620	$ 148,839

Continued on next page...

COMBINING STATEMENT OF CASH FLOWS
Internal Service Funds
(Continued from previous page)
For the Fiscal Year Ended September 30, 2001
(Amounts in Thousands)

	Information Services Fund	Telecom-munications	Service Division	Printing and Publication	State Employees' Health Insurance
Noncash Investing, Capital, and Financing Activities					
Increase (Decrease):					
Disposals and Write-offs of Fixed Assets	(1,224)	(112)	(469)	(493)	(73)
Transfers and Donations of Fixed Assets	40	44	16	-	-
Fixed Assets Acquired by Capital Lease	-	1,561	-		-
Prior Period Adjustments to Fixed Assets	2	(27)	-	-	-
Assets Acquired, But Will Be Paid For In Following Fiscal Year	-	21	-	1	-
Assumption of Capital Lease Obligation	-	1,561	-	-	-
Interest Accruals and Amortizations	-	-	-	-	65
Unrealized Gains (Losses) In Investment Fair Value	-	-	-		(734)
Investment Accruals and Other Adjustments	-	-	-	-	13
In Investments From Change in Fair Values	-	-	-	-	(734)
Operating Transfer In (Out)		2	-	-	28
Transfers (To) From Primary Government	-	-	8	-	-
Revenue Bond Amortizations and Other Debt Adjustments	-	-	-	-	

Public Education Employees' Health Insurance	Correctional Industries and Farms	State and Federal Surplus Property	Building Renovation Finance Authority	Public Road and Bridge Internal Service Fund	Risk Management	Other Internal Service Funds	Total
-	(191)	(14)	(3)	(10,929)	(5)	(38)	(13,551)
-	-	12	-	886	-	-	998
-	-	-	-	-	-	-	1,561
-	-	-	-	-	-	-	(25)
-	13	10	123	557	-	-	725
-	-	-	-	-	-	-	1,561
(57)	-	-	-	-	-	-	8
(90)	-	-	-	-	954	-	130
-		-	-	-	3,972	-	3,985
(90)	-	-	-	-	954	-	130
-	-	-	-	886	-	-	916
-	-	-	-	-	-		8
-	-	-	108	-	-	-	108

Trust and Agency Funds

Trust and agency funds are used to account for assets held by the State in a trustee capacity or as an agent for others.

EXPENDABLE TRUST FUNDS

Expendable Trust Funds account for resources the State holds as trustee. Both the principal and earnings of Expendable Trust Funds may be used for purposes allowed under the trust agreement.

Unemployment Compensation Trust accounts for the collection of unemployment insurance taxes from employers and the payment of unemployment benefits to eligible claimants.

Abandoned Property accounts for the custody and disposition of abandoned or unclaimed property.

Forever Wild Land Trust acquires, maintains, and protects unique lands and water areas.

Flexible Employees' Benefits accounts for an employee cafeteria plan.

NONEXPENDABLE TRUST FUNDS

Nonexpendable Trust Funds account for resources the State holds as trustee. The principal of these funds must be preserved and only the earnings may be used for purposes allowed under the trust agreement.

Heritage Trust was established by constitutional amendment. The Trust Fund was created from the proceeds of all sales or lease payments received by the State from January 1, 1981 through October 31, 1981 for the rights to explore and drill for oil and gas in any offshore area. Within 90 days after September 1, 2001, the trust capital of the Heritage Trust Fund will be transferred to the Alabama Trust Fund, and all aspects of the Heritage Trust Fund will terminate.

Alabama Trust is an irrevocable, permanent trust fund established by constitutional amendment. The trust fund is comprised of all payments, including royalty payments, received since August 1, 1984 for the sale or lease of rights for offshore exploration and drilling for oil and gas off the Alabama coast.

Sixteenth Section and School Lands are permanent trusts established to account for the funds accumulated from the sale or use of properties set aside for educational purposes. Investment earnings benefit local school systems.

Other Nonexpendable Trusts are aggregated for reporting purposes to account for other small nonexpendable trusts which promote scientific research, public health, public education, wildlife development, and programs for the elderly

PENSION TRUST FUNDS

Pension funds account for the resources of retirement plans administered by the state.

Peace Officers' Annuity and Benefit provides a pension benefit to State and local peace officers.

State Port Authority Hourly Plan and State Port Authority Railway Plan are retirement funds for certain employees of the State Port Authority department who are not members of the State Employees' Retirement System.

AGENCY FUNDS

Agency funds account for assets held by the State for other funds, governments, or individuals. Agency funds are custodial in nature (assets equal liabilities) and, therefore, have no revenues, expenditures, or fund balances.

State Taxes aggregates numerous state tax collection funds for financial reporting purposes. This fund accounts for the collection of income taxes, sales taxes, gasoline and motor fuels taxes, motor vehicle licenses, and severance taxes, among others, pending allocation to other funds.

Taxes Collected For Local Governments accounts for local taxes which are collected by the state for local governments. These taxes do not represent revenues of the state.

Payroll accounts for undistributed withholdings for employee benefits and payroll taxes.

Other Agency Funds are aggregated for financial reporting purposes and represent amounts held for child support payments, cash bonds, and numerous other deposits.

COMBINING BALANCE SHEET
Trust and Agency Funds

September 30, 2001
(Amounts in Thousands)

	Expendable Trusts	Nonexpendable Trusts	Pension Trusts	Agency
ASSETS				
Cash and Cash Equivalents	$ 393,221	$ 139,688	$ 1,047	$ 284,063
Investments	-	2,071,199	22,508	47,263
Accounts Receivable	31	22,293	-	9
Interest and Dividends Receivable	-	21,576	178	-
Mortgages, Notes, and Loans Receivable	-	32	-	-
Due from Other Funds	-	-	-	1,599
Other Assets	-	-	-	2
Fixed Assets (Net of Accumulated Depreciation)	-	28,419	6	-
TOTAL ASSETS	**$ 393,252**	**$ 2,283,207**	**$ 23,739**	**$ 332,936**
LIABILITIES AND FUND BALANCES				
Liabilities				
Warrants Payable	$ 433	$ 6	$ 191	$ 29,441
Accounts Payable	93	21	17	3,409
Salaries Payable	32	-	11	-
Due to Other Funds	22	1	1	6,086
Due to Other Governments	1,200	-	-	13,870
Deferred Revenue	-	-	-	2,014
Amounts Held Pending Distribution	-	-	-	124,838
Amounts Held in Custody for Others	3,320	-	-	153,278
Compensated Absences	-	-	54	-
Total Liabilities	**5,100**	**28**	**274**	**332,936**
Fund Balances				
Reserved for Encumbrances	13	-	-	-
Reserved for Permanent Trust Principal	-	2,283,179	-	-
Unreserved, Undesignated	388,139	-	-	-
Reserved for Employees' Pension Benefits	-	-	23,465	-
Total Fund Balances	**388,152**	**2,283,179**	**23,465**	**0**
TOTAL LIABILITIES AND FUND BALANCES	**$ 393,252**	**$ 2,283,207**	**$ 23,739**	**$ 332,936**

Totals
$ 818,019
2,140,970
22,333
21,754
32
1,599
2
28,425
$ 3,033,134

$ 30,071
3,540
43
6,110
15,070
2,014
124,838
156,598
54
338,338

13
2,283,179
388,139
23,465
2,694,796

$ 3,033,134

COMBINING BALANCE SHEET
Expendable Trust Funds

September 30, 2001
(Amounts in Thousands)

	Unemployment Compensation Trust	Abandoned Property	Forever Wild Land Trust	Flexible Employees' Benefits	Totals
ASSETS					
Cash and Cash Equivalents	$ 370,443	$ 3,884	$ 18,833	$ 61	$ 393,221
Accounts Receivable	-	-	11	20	31
TOTAL ASSETS	**$ 370,443**	**$ 3,884**	**$ 18,844**	**$ 81**	**$ 393,252**
LIABILITIES AND FUND BALANCES					
Liabilities					
Warrants Payable	$ -	$ 425	$ -	$ 8	$ 433
Accounts Payable	-	20	2	71	93
Salaries Payable	-	32	-	-	32
Due to Other Funds	-	22	-	-	22
Due to Other Governments	1,200	-	-	-	1,200
Amounts Held in Custody for Others	-	3,320	-	-	3,320
Total Liabilities	**1,200**	**3,819**	**2**	**79**	**5,100**
Fund Balances					
Reserved for Encumbrances	-	11	-	2	13
Unreserved, Undesignated	369,243	54	18,842	-	388,139
Total Fund Balances	**369,243**	**65**	**18,842**	**2**	**388,152**
TOTAL LIABILITIES AND FUND BALANCES	**$ 370,443**	**$ 3,884**	**$ 18,844**	**$ 81**	**$ 393,252**

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Expendable Trust Funds

For the Fiscal Year Ended September 30, 2001

(Amounts in Thousands)

	Unemployment Compensation Trust	Abandoned Property	Forever Wild Land Trust	Flexible Employees' Benefits	Totals
REVENUES					
Taxes	$ 163,168	$ -	$ -	$ -	$ 163,168
Licenses, Permits, and Fees	-	-	-	13	13
Fines, Forfeits, and Court Settlements	1,414	-	-	-	1,414
Investment Income	26,027	-	618	-	26,645
Federal Grants and Reimbursements	23,568	-	1,000	-	24,568
Other Revenues	9,094	15,882	162	200	25,338
Total Revenues	**223,271**	**15,882**	**1,780**	**213**	**241,146**
EXPENDITURES					
Current:					
Natural Resources and Recreation	-	-	14	-	14
Social Services	298,862	-	-	-	298,862
General Government	-	922	-	507	1,429
Total Expenditures	**298,862**	**922**	**14**	**507**	**300,305**
Revenues Over (Under) Expenditures	**(75,591)**	**14,960**	**1,766**	**(294)**	**(59,159)**
OTHER FINANCING SOURCES (USES)					
Operating Transfers In	-	-	9,077	270	9,347
Operating Transfers Out	(8,438)	(15,040)	(1,926)	-	(25,404)
Total Other Financing Sources (Uses)	**(8,438)**	**(15,040)**	**7,151**	**270**	**(16,057)**
Revenues and Other Sources Over (Under) Expenditures and Other Uses	**(84,029)**	**(80)**	**8,917**	**(24)**	**(75,216)**
Fund Balances, October 1, 2000	441,705	3,658	9,925	36	455,324
Restatements	11,567	(3,513)	-	(10)	8,044
Fund Balances, September 30, 2001	**$ 369,243**	**$ 65**	**$ 18,842**	**$ 2**	**$ 388,152**

COMBINING BALANCE SHEET
Nonexpendable Trust Funds

September 30, 2001
(Amounts in Thousands)

	Heritage Trust	Alabama Trust	Sixteenth Section and School Lands	Other Nonexpendable Trusts	Totals
ASSETS					
Cash and Cash Equivalents	$ 10,046	$ 86,711	$ 37,399	$ 5,532	$ 139,688
Investments	444,594	1,596,187	445	29,973	2,071,199
Accounts Receivable	-	22,293	-	-	22,293
Interest and Dividends Receivable	5,845	15,579	-	152	21,576
Mortgages, Notes, and Loans Receivable	-	-	-	32	32
Fixed Assets (Net of Accumulated Depreciation)	-	28,419	-	-	28,419
TOTAL ASSETS	**$ 460,485**	**$ 1,749,189**	**$ 37,844**	**$ 35,689**	**$ 2,283,207**
LIABILITIES AND FUND BALANCES					
Liabilities					
Warrants Payable	$ -	$ -	$ -	$ 6	$ 6
Accounts Payable	-	21	-	-	21
Due to Other Funds	-	-	-	1	1
Total Liabilities	**0**	**21**	**0**	**7**	**28**
Fund Balances					
Reserved for Permanent Trust Principal	460,485	1,749,168	37,844	35,682	2,283,179
Total Fund Balances	**460,485**	**1,749,168**	**37,844**	**35,682**	**2,283,179**
TOTAL LIABILITIES AND FUND BALANCES	**$ 460,485**	**$ 1,749,189**	**$ 37,844**	**$ 35,689**	**$ 2,283,207**

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES
Nonexpendable Trust Funds

For the Fiscal Year Ended September 30, 2001

(Amounts in Thousands)

	Heritage Trust	Alabama Trust	Sixteenth Section and School Lands	Other Nonexpendable Trusts	Totals
OPERATING REVENUES					
Charges for Goods and Services	$ -	$ -	$ -	$ 85	$ 85
Investment Income	29,892	144,304	-	231	174,427
Rents and Leases	-	256,414	247	-	256,661
Sale of Land, Timber, and Minerals	-	-	503	-	503
Licenses and Fees	-	-	-	493	493
Total Operating Revenues	**29,892**	**400,718**	**750**	**809**	**432,169**
OPERATING EXPENSES					
Professional Services	14	-	-	20	34
Grants to Colleges and Universities	-	-	-	864	864
Total Operating Expenses	**14**	**0**	**0**	**884**	**898**
Operating Income (Loss)	**29,878**	**400,718**	**750**	**(75)**	**431,271**
NONOPERATING REVENUES (EXPENSES)					
Other Nonoperating Revenues	-	-	154	107	261
Total Nonoperating Revenues (Expenses)	**0**	**0**	**154**	**107**	**261**
Income (Loss) Before Operating Transfers	**29,878**	**400,718**	**904**	**32**	**431,532**
TRANSFERS					
Operating Transfers In	-	1,651	-	331	1,982
Operating Transfers from Component Units	-	-	-	407	407
Operating Transfers Out	(52,776)	(90,767)	-	(1,355)	(144,898)
Total Transfers	**(52,776)**	**(89,116)**	**0**	**(617)**	**(142,509)**
Net Income (Loss)	**(22,898)**	**311,602**	**904**	**(585)**	**289,023**
Fund Balances, October 1, 2000	483,383	1,421,322	36,940	36,260	1,977,905
Restatements	-	16,244	-	7	16,251
Fund Balances, September 30, 2001	**$ 460,485**	**$ 1,749,168**	**$ 37,844**	**$ 35,682**	**$ 2,283,179**

COMBINING STATEMENT OF CASH FLOWS
Nonexpendable Trust Funds

For the Fiscal Year Ended September 30, 2001
(Amounts in Thousands)

	Heritage Trust	Alabama Trust	Sixteenth Section and School Lands
Cash Flows From Operating Activities			
Operating Income (Loss)	$ 29,878	$ 400,718	$ 750
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Purchase of Program Loans and Investments	-	-	-
Proceeds from Program Loans and Investments	-	-	-
Investment Income	(29,892)	(144,304)	-
Other Nonoperating Revenues	-	-	154
Accounts Receivable	-	9,444	-
Increase (Decrease) in Liabilities:			
Accounts Payable	-	20	-
Due to Other Funds	-	-	-
Net Cash Provided by (Used In) Operating Activities	**(14)**	**265,878**	**904**
Cash Flows From Noncapital Financing Activities:			
Operating Transfers In	-	214	-
Operating Transfers From Component Units	-	-	-
Operating Transfers Out	(52,776)	(90,767)	-
Net Cash Provided By (Used In) Noncapital Financing Activities	**(52,776)**	**(90,553)**	**0**
Cash Flows From Investing Activities			
Purchase of Investments	(543,191)	(620,287)	-
Proceeds From Sale and Maturities of Investments	543,109	178,598	
Interest and Dividends on Investments	52,874	93,190	-
Net Cash Provided By (Used In) Investing Activities	**52,792**	**(348,499)**	**0**
Net Increase (Decrease) In Cash and Cash Equivalents	**2**	**(173,174)**	**904**
Cash Balance, October 1, 2000	10,044	259,885	36,495
Cash Balance, September 30, 2001	**10,046**	**86,711**	**37,399**
Add: Warrants Payable	-	-	-
Cash and Cash Equivalents, as Reported on Balance Sheet	**$ 10,046**	**$ 86,711**	**$ 37,399**
Noncash Investing, Capital, and Financing Activities			
Increase (Decrease):			
Transfers and Donations of Fixed Assets	-	1,437	-
Interest Accruals and Amortizations	3,551	2,213	-
Unrealized Gains (Losses) In Investment Fair Value	(19,432)	47,653	-
Investment Accruals and Other Adjustments	-	2,626	-
In Investments From Change in Fair Values	(19,432)	-	-
Investments Placed with Bond Trustee	-	47,653	-
Operating Transfer In (Out)	-	1,437	-

Other Nonexpendable Trusts	Totals
$ (75)	$ 431,271
(1)	(1)
1	1
(231)	(174,427)
107	261
-	9,444
-	20
(23)	(23)
(222)	**266,546**
331	545
407	407
(1,355)	(144,898)
(617)	**(143,946)**
(32,418)	(1,195,896)
35,376	757,083
2,191	148,255
5,149	**(290,558)**
4,310	**(167,958)**
1,216	307,640
5,526	**139,682**
6	6
$ 5,532	**$ 139,688**
-	1,437
-	5,764
(2,094)	26,127
(4)	2,622
(2,094)	(21,526)
-	47,653
-	1,437

COMBINING STATEMENT OF PLAN NET ASSETS
Pension Trust Funds

September 30, 2001
(Amounts in Thousands)

	Peace Officers' Annuity and Benefit	State Port Authority Hourly Plan	State Port Authority Railway Plan	Totals
ASSETS				
Cash and Cash Equivalents	$ 335	$ 712	$ -	$ 1,047
Investments (Note 1I, 3)				
U.S. Treasury Securities	2,547	-	-	2,547
U.S. Agency Securities	4,954	-	-	4,954
Corporate Stocks	110	-	-	110
Corporate Bonds	5,243	2,967	314	8,524
Commercial Paper	-	587	147	734
Mutual and Money Market Funds	-	90	-	90
Other	5,549	-	-	5,549
Receivables				
Interest and Dividends Receivable	178	-	-	178
Fixed Assets (Net of Accumulated Depreciation)	6	-	-	6
TOTAL ASSETS	**$ 18,922**	**$ 4,356**	**$ 461**	**$ 23,739**
LIABILITIES AND FUND BALANCES				
Liabilities				
Warrants Payable	$ 191	$ -	$ -	$ 191
Accounts Payable	17	-	-	17
Salaries Payable	11	-	-	11
Due to Other Funds	1	-	-	1
Compensated Absences	54	-	-	54
Total Liabilities	**274**	**0**	**0**	**274**
Fund Balances				
Reserved for Employees' Pension Benefits	18,648	4,356	461	23,465
Total Fund Balances	**18,648**	**4,356**	**461**	**23,465**
TOTAL LIABILITIES AND FUND BALANCES	**$ 18,922**	**$ 4,356**	**$ 461**	**$ 23,739**

COMBINING STATEMENT OF CHANGES IN PLAN NET ASSETS
Pension Trust Funds

For the Fiscal Year Ended September 30, 2001

(Amounts in Thousands)

	Peace Officers' Annuity and Benefit	State Port Authority Hourly Plan	State Port Authority Railway Plan	Totals
ADDITIONS				
Contributions				
Employee	$ 413	$ -	$ -	$ 413
Total Contributions	413	0	0	413
Investment Income				
Investment Interest and Dividends	869	305	32	1,206
Net Increase (Decrease) in Fair Value of Investments	(1,259)	126	13	(1,120)
Total Investment Income	(390)	431	45	86
Less:				
Investment Expense	(63)	-	-	(63)
Net Investment Income	(453)	431	45	23
Other Additions				
Licenses and Fees	2,501	-	-	2,501
Operating Transfers In	3,781	-	-	3,781
Total Other Additions	6,282	0	0	6,282
Total Additions	**6,242**	**431**	**45**	**6,718**
DEDUCTIONS				
Benefit Payments	3,596	-	-	3,596
Return of Contributions	60	-	-	60
Administrative Expense	300	-	-	300
Operating Transfers Out	3,781	-	-	3,781
Total Deductions	**7,737**	**0**	**0**	**7,737**
Net Increase (Decrease)	**(1,495)**	**431**	**45**	**(1,019)**
Fund Balance Reserved for Employees' Pension Benefits, October 1, 2000	20,150	3,925	416	24,491
Restatements	(7)	-	-	(7)
Fund Balance Reserved for Employees' Pension Benefits, September 30, 2001	**$ 18,648**	**$ 4,356**	**$ 461**	**$ 23,465**

COMBINING BALANCE SHEET
Agency Funds

September 30, 2001
(Amounts in Thousands)

	State Taxes	Taxes Collected For Local Governments	Payroll	Other Agency Funds	Totals
ASSETS					
Cash and Cash Equivalents	$ 142,233	$ 24,571	$ 6,673	$ 110,586	$ 284,063
Investments	-	-	-	47,263	47,263
Accounts Receivable	9	-	-	-	9
Due from Other Funds	461	1,134	2	2	1,599
Other Assets	-	-	-	2	2
TOTAL ASSETS	**$ 142,703**	**$ 25,705**	**$ 6,675**	**$ 157,853**	**$ 332,936**
LIABILITIES					
Warrants Payable	$ 11,403	$ 10,834	$ 3,028	$ 4,176	$ 29,441
Accounts Payable	2	43	3,320	44	3,409
Due to Other Funds	6,057	27	2	-	6,086
Due to Other Governments	220	13,600	-	50	13,870
Deferred Revenue	-	1,132	-	882	2,014
Amounts Held Pending Distribution	124,717	57	-	64	124,838
Amounts Held in Custody for Others	304	12	325	152,637	153,278
TOTAL LIABILITIES	**$ 142,703**	**$ 25,705**	**$ 6,675**	**$ 157,853**	**$ 332,936**

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COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
All Agency Funds

For the Fiscal Year Ended September 30, 2001

(Amounts in Thousands)

	Balance October 1, 2000	Additions	Reductions	Balance September 30, 2001
STATE TAXES				
ASSETS				
Cash and Cash Equivalents	117,098	9,472,066	9,446,931	142,233
Accounts Receivable	6	9	6	9
Taxes Receivable	-	887,443	887,443	-
Due from Other Funds	607	6,737	6,883	461
Other Assets	-	5	5	-
TOTAL ASSETS	**$ 117,711**	**$ 10,366,260**	**$ 10,341,268**	**$ 142,703**
LIABILITIES				
Warrants Payable	14,736	491,407	494,740	11,403
Accounts Payable	116	104,244	104,358	2
Due to Other Funds	4,807	9,303	8,053	6,057
Due to Other Governments	162	6,781	6,723	220
Amounts Held Pending Distribution	97,671	10,993,119	10,966,073	124,717
Amounts Held in Custody for Others	219	2,133	2,048	304
TOTAL LIABILITIES	**$ 117,711**	**$ 11,606,987**	**$ 11,581,995**	**$ 142,703**
TAXES COLLECTED FOR LOCAL GOVT				
ASSETS				
Cash and Cash Equivalents	28,409	311,245	315,083	24,571
Due from Other Funds	-	1,134	-	1,134
TOTAL ASSETS	**$ 28,409**	**$ 312,379**	**$ 315,083**	**$ 25,705**
LIABILITIES				
Warrants Payable	13,806	306,941	309,913	10,834
Accounts Payable	106	308,609	308,672	43
Due to Other Funds	397	73	443	27
Due to Other Governments	14,100	310,550	311,050	13,600
Deferred Revenue	-	1,132	-	1,132
Amounts Held Pending Distribution	-	2,933	2,876	57
Amounts Held in Custody for Others	-	12	-	12
TOTAL LIABILITIES	**$ 28,409**	**$ 930,250**	**$ 932,954**	**$ 25,705**
PAYROLL				
ASSETS				
Cash and Cash Equivalents	11,120	1,556,084	1,560,531	6,673
Due from Other Funds	-	2	-	2
TOTAL ASSETS	**$ 11,120**	**$ 1,556,086**	**$ 1,560,531**	**$ 6,675**
LIABILITIES				
Warrants Payable	7,703	1,229,742	1,234,417	3,028
Accounts Payable	45	442,531	439,256	3,320
Due to Other Funds	-	2	-	2
Amounts Held Pending Distribution	-	62,073	62,073	-
Amounts Held in Custody for Others	3,372	703,530	706,577	325
TOTAL LIABILITIES	**$ 11,120**	**$ 2,437,878**	**$ 2,442,323**	**$ 6,675**

	Balance October 1, 2000	Additions	Reductions	Balance September 30, 2001
OTHER AGENCY FUNDS				
ASSETS				
Cash and Cash Equivalents	96,848	929,178	915,440	110,586
Investments	49,823	1,861	4,421	47,263
Due from Other Funds	-	2	-	2
Other Assets	1	221	220	2
TOTAL ASSETS	**$ 146,672**	**$ 931,262**	**$ 920,081**	**$ 157,853**
LIABILITIES				
Warrants Payable	4,702	225,363	225,889	4,176
Accounts Payable	53	7,465	7,474	44
Due to Other Funds	-	36,124	36,124	-
Due to Other Governments	37	568	555	50
Deferred Revenue	1,458	157	733	882
Amounts Held Pending Distribution	64	11	11	64
Amounts Held in Custody for Others	140,358	890,447	878,168	152,637
TOTAL LIABILITIES	**$ 146,672**	**$ 1,160,135**	**$ 1,148,954**	**$ 157,853**
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Cash and Cash Equivalents	253,475	12,268,573	12,237,985	284,063
Investments	49,823	1,861	4,421	47,263
Accounts Receivable	6	9	6	9
Taxes Receivable	-	887,443	887,443	-
Due from Other Funds	607	7,875	6,883	1,599
Other Assets	1	226	225	2
TOTAL ASSETS	**$ 303,912**	**$ 13,165,987**	**$ 13,136,963**	**$ 332,936**
LIABILITIES				
Warrants Payable	40,947	2,253,453	2,264,959	29,441
Accounts Payable	320	862,849	859,760	3,409
Due to Other Funds	5,204	45,502	44,620	6,086
Due to Other Governments	14,299	317,899	318,328	13,870
Deferred Revenue	1,458	1,289	733	2,014
Amounts Held Pending Distribution	97,735	11,058,136	11,031,033	124,838
Amounts Held in Custody for Others	143,949	1,596,122	1,586,793	153,278
TOTAL LIABILITIES	**$ 303,912**	**$ 16,135,250**	**$ 16,106,226**	**$ 332,936**

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General Fixed Assets Account Group

The General Fixed Assets Account Group accounts for the land, buildings, improvements, and equipment of the Governmental Fund types. Fixed assets of Proprietary Fund types, similar Trust funds and Higher Education Funds are accounted for within those funds.

SCHEDULE OF GENERAL FIXED ASSETS
By Function and Activity

September 30, 2001
(Amounts in Thousands)

Function and Activity	Land	Buildings	Equipment	Construction In Progress	Other Fixed Assets	Total General Fixed Assets
Economic Development and Regulation						
Agricultural	422	7,432	1,852	-	-	9,706
Forestry Commission	1,333	9,952	31,018	-	-	42,303
Geological	-	3,573	3,165	-	-	6,738
Other	225	367	4,786	-	-	5,378
Total Economic Development and Regulatio	**1,980**	**21,324**	**40,821**	**0**	**0**	**64,125**
Education and Cultural Resources						
Education Department	-	-	7,236	-	-	7,236
Educational Television Commission	344	1,204	18,126	-	-	19,674
Public Library Service	138	1,695	1,641	-	7,253	10,727
Skills Centers	-	-	7,691	-	-	7,691
Youth Services	1,107	4,452	642	-	-	6,201
Other	618	410	5,093	1	2,326	8,448
Total Education and Cultural Resources	**2,207**	**7,761**	**40,429**	**1**	**9,579**	**59,977**
Natural Resources and Recreation						
Conservation and Natural Resources	19,923	7,887	26,654	49	1,955	56,468
Other	-	3	1,003	-	-	1,006
Total Natural Resources and Recreation	**19,923**	**7,890**	**27,657**	**49**	**1,955**	**57,474**
Health - Physical and Mental						
Environmental Management	-	12,244	13,273	-	-	25,517
Medicaid Agency	-	-	3,308	-	-	3,308
Public Health	3,274	39,877	30,989	-	-	74,140
Other	-	-	148	-	-	148
Total Health - Physical and Mental	**3,274**	**52,121**	**47,718**	**0**	**0**	**103,113**
Social Services						
Human Resources	-	34,175	34,513	-	2	68,690
Industrial Relations	1,239	8,542	16,392	-	-	26,173
Rehabilitation Services	65	636	14,163	-	-	14,864
Veterans Affairs	609	26,364	1,595	-	-	28,568
Other	-	-	1,312	-	-	1,312
Total Social Services	**1,913**	**69,717**	**67,975**	**0**	**2**	**139,607**
Protection of Persons and Property						
Agriculture and Industries	-	8,470	6,316	-	-	14,786
Corrections	5,614	219,861	23,377	57	-	248,909
Emergency Management	45	2,855	2,378	-	-	5,278
Forensic Sciences	76	2,883	10,840	-	16	13,815
Judicial	3,264	38,578	706	-	-	42,548
Military	4,997	171,621	1,473	603	-	178,694
Professional and Occupational Boards	310	-	3,593	-	-	3,903
Public Safety	3,735	11,803	48,350	-	-	63,888
Youth Services	5,519	22,185	3,194	-	-	30,898
Other	28	194	10,060	-	231	10,513
Total Protection of Persons and Property	**23,588**	**478,450**	**110,287**	**660**	**247**	**613,232**
Transportation						
Transportation Department	3,734	74,466	79,590	6,164	-	163,954
Total Transportation	**3,734**	**74,466**	**79,590**	**6,164**	**0**	**163,954**
General Government						
Executive	55	3,183	21,714	-	1	24,953
Judicial	-	-	15,874	-	3,978	19,852
Legislative	-	-	6,252	-	-	6,252
Total General Government	**55**	**3,183**	**43,840**	**0**	**3,979**	**51,057**
Total General Fixed Assets	**$56,674**	**$714,912**	**$458,317**	**$ 6,874**	**$15,762**	**$1,252,539**

Higher Education Funds

Higher Education Funds account for the resources received and used in the operation of Athens State College, the State Fire College, the Industrial Development and Training Institute, and the Alabama College System, which consists of the two-year institutions of higher education.

COMBINING BALANCE SHEET
Higher Education Funds

September 30, 2001

(Amounts in Thousands)

	CURRENT FUNDS				
	Unrestricted General	Unrestricted Auxiliary	Restricted	Loan Funds	Endowment and Similar Funds
ASSETS					
Cash and Cash Equivalents	$ 36,314	$ 7,556	$ 143	$ 193	$ 406
Investments	27,237	2,452	83	-	7,699
Accounts Receivable	13,220	1,534	13,223	371	-
Mortgages, Notes, and Loans Receivable	1,388	-	-	-	46
Due from Other Funds	10,021	112	83	10	-
Inventory	695	6,748	-	-	-
Other Assets	28,646	560	902	-	-
Fixed Assets (Net of Accumulated Depreciation)	-	-	-	-	-
TOTAL ASSETS	**$ 117,521**	**$ 18,962**	**$ 14,434**	**$ 574**	**$ 8,151**
LIABILITIES, FUND BALANCES, AND OTHER CREDITS					
Liabilities					
Accounts Payable	$ 10,817	$ 862	$ 854	$ -	$ -
Due to Other Funds	1,419	754	8,910	15	3
Deferred Revenue	2,250	-	1,244	-	-
Amounts Held in Custody for Others	50,312	711	-	-	-
Compensated Absences	9,577	-	-	-	-
Other Liabilities	-	-	605	-	-
Notes and Mortgages Payable	-	-	-	-	-
Revenue Bonds Payable	-	-	-	-	-
Capital Lease Obligations	-	-	-	-	-
Total Liabilities	**74,375**	**2,327**	**11,613**	**15**	**3**
Fund Balances and Other Credits					
Investment in Fixed Assets	-	-	-	-	-
Unreserved, Undesignated	37,583	15,493	1,498	192	5
Unreserved, Designated	5,563	1,142	-	367	5,352
Reserved for Endowment Funds	-	-	-	-	2,791
Reserved for Restricted Funds	-	-	1,323	-	-
Total Fund Balances and Other Credits	**43,146**	**16,635**	**2,821**	**559**	**8,148**
TOTAL LIABILITIES, FUND BALANCES, AND OTHER CREDITS	**$ 117,521**	**$ 18,962**	**$ 14,434**	**$ 574**	**$ 8,151**

PLANT FUNDS					
Unexpended	Renewals and Replacements	Retirement of Indebtedness	Investment in Plant	Agency Funds	Totals
$ 15,294	$ 4,167	$ 503	$ -	$ 2,653	$ 67,229
21,052	5,453	935	-	335	65,246
374	88	-	-	179	28,989
-	-	-	-	-	1,434
1,276	591	-	-	32	12,125
-	-	-	-	-	7,443
1,219	-	14,294	-	-	45,621
2	-	-	624,174	-	624,176
$ 39,217	**$ 10,299**	**$ 15,732**	**$ 624,174**	**$ 3,199**	**$ 852,263**
$ 135	$ 130	$ 27	$ -	$ 254	$ 13,079
214	80	689	-	41	12,125
-	-	6	-	-	3,500
-	-	-	-	2,812	53,835
-	-	-	-	-	9,577
-	-	-	-	92	697
-	-	-	2,010	-	2,010
1,244	309	5,525	98,914	-	105,992
-	-	-	6,587	-	6,587
1,593	**519**	**6,247**	**107,511**	**3,199**	**207,402**
-	-	-	516,663	-	516,663
34,187	7,649	8,787	-	-	105,394
3,437	2,131	698	-	-	18,690
-	-	-	-	-	2,791
-	-	-	-	-	1,323
37,624	**9,780**	**9,485**	**516,663**	**0**	**644,861**
$ 39,217	**$ 10,299**	**$ 15,732**	**$ 624,174**	**$ 3,199**	**$ 852,263**

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Supplemental Statements and Schedules

This section presents schedules and statements which bring together information spread throughout the statements and presents this information in greater detail in order to provide more useable information or to demonstrate legal compliance.

SCHEDULE OF REVENUES BY PRINCIPAL SOURCES
Governmental Fund Types and Expendable Trust Funds (State Treasury Funds Only)
Cash Basis, Transfers Excluded

For the Fiscal Year Ended September 30, 2001

(Amounts in Thousands)

TAXES		
General Sales Tax (4% on gross retail sale of merchandise)	1,503,850	11.9%
General Use Tax	197,619	1.6%
Income Tax (2% to 5% personal income, 5% net corporate income)	2,188,507	17.2%
Property Tax Relief (represents portion of Income Tax used to offset property taxes lost in certain funds due to homestead exemptions)	30,042	0.2%
General Property Tax (6 1/2 mills for state on varying rates not over 30%)	181,651	1.4%
Gasoline Taxes (.16 per gallon; .03 aviation; .01 jet)	383,483	3.0%
Utilities Tax (4% of gross receipts)	321,575	2.5%
Insurance Premium Tax (gross premium tax for privilege of operating in state)	197,381	1.6%
Liquor & Wine Tax (totals 46%, collected by ABC stores)	69,128	0.5%
Tobacco & Cigarette Taxes (8.25 mills per cigarette; varying amounts on cigars, smoking tobacco, snuff, etc.)	65,584	0.5%
Corporation Taxes (franchise, $3.00 per $1,000 capital; permit, entrance fees for filing)	33,958	0.3%
State Beer Tax (.05 per 12 oz.)	49,436	0.4%
Public Utilities (2.2%)	87,141	0.7%
Motor Fuel Tax (diesel .12 per gallon)	117,010	0.9%
Tennessee Valley Authority (payments in-lieu of all state taxes)	75,075	0.6%
Leasing / Renting Tangible Personal Property - (4% most items, 1.5% vehicles, 2% garments)	67,320	0.5%
Production Privilege Tax (Oil & Gas Severance at amounts varying 2-8%)	104,721	0.8%
Financial Institutions Excise Tax (6% of net income of banks and other financial institutions)	15,911	0.1%
Documentary Filing Taxes (auto title, deed, mortgage, securities, etc)	55,653	0.4%
Coal Severance Tax (0.335 per ton)	5,481	0.0%
Forestry Severance Tax	5,792	0.0%
Inheritance Tax (amount of federal credit)	45,690	0.4%
Contractors Gross Receipts Tax	25,894	0.2%
Lodgings Tax (4% or 5% of charge)	29,250	0.2%
Hydroelectric Companies (tax on 2/5 mill per kilowatt hour and 2.2% per dollar gross receipts)	695	0.0%
Lubricating Oil Tax (.06 per gallon)	2,112	0.0%
Pari-mutuel Betting (1 or 2% on pari-mutuel pools)	3,528	0.0%
Court Cost Taxes	26,636	0.2%
Medicaid Taxes	36,301	0.3%
Cellular Telephones (4%)	35,439	0.3%
Miscellaneous Taxes	5,370	0.0%
TOTAL TAXES	**5,967,233**	**47.0%**

LICENSES, PERMITS AND FEES		
Conservation Licenses (fishing, hunting, boat registration, etc)	18,595	0.1%
Drivers Licenses & Fees	37,666	0.3%
Petroleum Products Inspection Fees	68,270	0.5%
Agricultural License, Permits, Fees	6,263	0.0%
Wholesale Oil Company License	2,723	0.0%
Motor Vehicle License ($23.00 on auto; up to $845.00 on trucks and up to $210.00 on buses)	130,520	1.0%
Privilege License (fees for privilege of operating stores, factories, professions, businesses, etc)	50,073	0.4%
Court Fees	48,904	0.4%
Alcoholic Beverage Licenses	2,152	0.0%
Insurance Corporation Licenses and Fees	1,108	0.0%
Miscellaneous License, Permits, Fees	75,900	0.6%
TOTAL LICENSES, PERMITS, FEES	**442,174**	**3.5%**
FINES AND FORFEITS		
Court Fines & Forfeits	25,733	0.2%
Tobacco Settlement	159,078	1.3%
Miscellaneous Fines and Forfeits	9,768	0.1%
TOTAL FINES AND FORFEITS	**194,579**	**1.5%**
INVESTMENT INCOME	**177,607**	**1.4%**
FEDERAL REVENUES	**4,681,407**	**36.9%**
OTHER REVENUES		
Rents and Royalties	21,730	0.2%
Reimbursements	36,865	0.3%
Sales of Property or Services	11,115	0.1%
Contributions	3,676	0.0%
Intragovernmental Services	270,155	2.1%
Local Revenues	31,248	0.2%
Miscellaneous Revenues	851,910	6.7%
TOTAL OTHER REVENUES	**1,226,699**	**9.7%**
TOTAL REVENUES	**$12,689,699**	**100.0%**

SCHEDULE OF REVENUES BY PRINCIPAL SOURCES AND DISTRIBUTIONS OF REVENUES

Governmental Fund Types and Expendable Trust Funds (State Treasury Funds Only)

Cash Basis, Transfers Excluded

For the Fiscal Year Ended September 30, 2001

(Amounts in Thousands)

	Total Revenues	Administrative Expense	Net Revenues	Human Resources Funds	General Fund	Public School Funds	Education Trust Fund	Conservation Funds
TAXES								
General Sales Tax	$ 1,503,850	$ 28,877	$ 1,474,973	$ 20,330	$ 66,677	$ -	$1,282,356	$ -
General Use Tax	197,619	2,522	195,097	-	432	-	193,989	676
Income Tax	2,188,507	27,183	2,161,324	-	-	-	2,161,324	-
Property Tax Relief	30,042	-	30,042	4,437	12,294	13,311	-	-
General Property Tax	181,651	903	180,748	27,158	69,248	84,342	-	-
Gasoline Taxes	383,483	9,412	374,071	-	-	-	-	3,438
Utilities Tax	321,575	5,599	315,976	-	-	-	301,376	-
Insurance Premium Tax	197,381	-	197,381	-	160,249	-	30,993	-
Liquor & Wine Tax	69,128	-	69,128	24,796	35,904	-	-	-
Tobacco & Cigarette Taxes	65,584	69	65,515	3,813	39,008	-	5,536	-
Corporation Taxes	33,958	-	33,958	53	33,471	-	-	-
State Beer Tax	49,436	-	49,436	9,887	14,831	-	19,774	-
Public Utilities	87,141	-	87,141	-	13,077	-	-	-
Motor Fuel Tax	117,010	1,932	115,078	-	-	-	-	-
Tennessee Valley Authority	75,075	-	75,075	-	-	-	-	-
Leasing/Renting Personal Property	67,320	-	67,320	-	60,700	-	6,620	-
Production Privilege Tax	104,721	-	104,721	-	84,195	-	-	-
Financial Institutions Excise Tax	15,911	440	15,471	-	4,492	-	-	-
Documentary Filing Taxes	55,653	-	55,653	-	55,653	-	-	-
Coal Severance Tax	5,481	-	5,481	-	(105)	-	-	-
Forestry Severance Tax	5,792	162	5,630	-	-	-	-	-
Inheritance Tax	45,690	-	45,690	-	45,690	-	-	-
Contractors Gross Receipts Tax	25,894	57	25,837	3,876	-	-	-	-
Lodgings Tax	29,250	11	29,239	-	21,090	-	-	-
Hydroelectric Companies	695	4	691	-	-	-	290	-
Lubricating Oil Tax	2,112	6	2,106	-	729	-	-	-
Pari-mutuel Betting	3,528	-	3,528	-	3,528	-	-	-
Court Cost Taxes	26,636	-	26,636	-	8,056	-	-	-
Medicaid Provider Taxes	36,301	90	36,211	-	-	-	-	-
Cellular Telephone Tax	35,439	-	35,439	-	34,222	-	-	-
Miscellaneous Taxes	5,370	-	5,370	-	2,672	1	-	-
TOTAL TAXES	**5,967,233**	**77,267**	**5,889,966**	**94,350**	**766,113**	**97,654**	**4,002,258**	**4,114**
LICENSES, PERMITS AND FEES								
Conservation Licenses	18,595	-	18,595	-	-	-	-	18,593
Drivers Licenses & Fees	37,666	-	37,666	-	30,516	-	-	-
Petroleum Products Inspection Fees	68,270	-	68,270	-	-	-	-	-
Agricultural License, Permits, Fees	6,263	-	6,263	-	-	-	-	-
Wholesale Oil Company License	2,723	-	2,723	-	2,723	-	-	-
Motor Vehicle License	130,520	161	130,359	-	37,254	-	-	-
Privilege License	50,073	914	49,159	-	7,685	-	476	-
Court Fees	48,904	-	48,904	-	34,505	-	-	-
Alcoholic Beverage Licenses	2,152	-	2,152	-	2,152	-	-	-
Insurance Corp Licenses and Fees	1,108	-	1,108	-	554	-	-	-
Miscellaneous License, Permits, Fees	75,900	123	75,777	340	3,258	-	-	226
TOTAL LICENSES, PERMITS, FE	**442,174**	**1,198**	**440,976**	**340**	**118,647**	**0**	**476**	**18,819**
FINES AND FORFEITS								
Court Fines & Forfeits	25,733	-	25,733	-	17,906	-	-	-
Tobacco Settlement	159,078	-	159,078	-	(20,031)	-	-	-
Miscellaneous Fines and Forfeits	9,768	2	9,766	-	1,772	86	-	779
TOTAL FINES AND FORFEITS	**194,579**	**2**	**194,577**	**0**	**(353)**	**86**	**-**	**779**
INVESTMENT INCOME	**177,607**	**-**	**177,607**	**358**	**72,431**	**41**	**-**	**898**
FEDERAL REVENUES	**4,681,407**	**-**	**4,681,407**	**682,093**	**30**	**-**	**-**	**11,848**
Miscellaneous Revenues	1,226,699	2,034	1,224,665	70,147	1,621	303	880	6,072
TOTAL REVENUES	**$ 12,689,699**	**$ 80,501**	**$ 12,609,198**	**$ 847,288**	**$958,489**	**$98,084**	**$4,003,614**	**$ 42,530**

Distributed To Local Governments	Debt Service Funds	Medicaid	Transportation Department	Health General & Mental	Education Department	Economic & Community Affairs	Other	Distribution of Other Amounts
$ 3,455	$102,155	$ -	$ -	$ -	$ -	$ -	$ -	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
166,598	-	-	203,323	-	-	-	712	Aeronautics
-	-	-	-	14,600	-	-	-	
-	-	-	-	4,525	-	-	1,614	Insurance Dept
-	(1,340)	-	-	9,768	-	-	-	
-	11,184	-	-	2,161	-	-	3,813	State Parks
22	-	-	-	-	-	-	412	Secretary of State
4,944	-	-	-	-	-	-	-	
-	-	-	-	74,064	-	-	-	
-	-	-	115,078	-	-	-	-	
60,060	15,015	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
20,843	-	-	-	-	-	-	(317)	
10,979	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
3,334	-	-	-	-	-	-	2,252	State Port Authority
-	-	-	-	-	-	-	5,630	Forestry
-	-	-	-	-	-	-	-	
-	-	-	-	21,961	-	-	-	
1,115	-	-	-	-	-	-	7,034	Tourism & Travel
-	-	-	-	401	-	-	-	
757	-	-	620	-	-	-	-	
-	-	-	-	-	-	-	-	
-	-	-	-	-	2,366	-	16,214	Fair Trial Fd 14.1M
-	-	36,211	-	-	-	-	-	
-	1,217	-	-	-	-	-	-	
30	-	-	71	(500)	-	-	3,096	Industrial Relations 3.0M
272,137	**128,231**	**36,211**	**319,092**	**126,980**	**2,366**	**0**	**40,460**	
-	-	-	-	-	-	-	2	
-	-	-	-	-	-	-	7,150	Public Safety
10,994	-	-	55,176	-	-	-	2,100	Agriculture
-	-	-	-	-	-	-	6,264	Agriculture
-	-	-	-	-	-	-	-	
17,327	-	-	74,563	-	-	-	1,215	
-	-	-	3,480	2,044	1,312	-	34,162	
-	-	-	-	128	-	-	14,271	AOC 6.1M
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	554	Insurance Dept
-	-	-	1,511	12,198	-	-	58,244	ADEM 21.4M; PSC 12.9M
28,321	**0**	**0**	**134,730**	**14,370**	**1,312**	**0**	**123,962**	
-	-	-	-	-	-	1,261	6,566	
-	-	-	-	-	-	-	179,109	21st Century Authority
3	-	538	-	-	-	-	6,588	
3	**0**	**538**	**0**	**-**	**0**	**1,261**	**192,263**	
-	**12,804**	**1,290**	**1,267**	**66**	**-**	**969**	**87,483**	Def Comp/IRA 60.8M
1,054	**-**	**2,139,356**	**688,671**	**232,283**	**513,021**	**160,474**	**252,577**	Rehab 58.6; EMA 51.2; DIR 52.8M
-	3,976	647,322	23,888	306,171	7,434	458	156,393	
$ 301,515	**$145,011**	**$ 2,824,717**	**$ 1,167,648**	**$ 679,870**	**$ 524,133**	**$ 163,162**	**$ 853,138**	

SCHEDULE OF EXPENDITURES BY FUNCTION AND DEPARTMENT
All Governmental Fund Types, Expendable Trust Funds, and Discretely Presented Component Units

For the Fiscal Year Ended September 30, 2001

(Amounts in Thousands)

	Amount	Percent of Total
Economic Development and Regulation		
Agriculture and Industries	2,034	
Agriculture Center Board	1,269	
Farmers' Market Authority	735	
Forestry Commission	29,408	
Geological Survey	3,483	
Insurance	8,128	
Manufactured Housing Commission	1,874	
Oil And Gas Board	2,260	
Public Service Commission	10,017	
Securities Commission	2,282	
Other	1,352	
Total Economic Development and Regulation	**62,842**	**0.5%**
Education and Cultural Resources		
Education	3,310,678	
Other	136,986	
Total Education and Cultural Resources	**3,447,664**	**28.4%**
Natural Resources and Recreation		
Agriculture and Conservation Development Commission	2,455	
Conservation and Natural Resources	38,050	
Soil and Water Conservation Commission	3,362	
Tourism and Travel	10,459	
Other	1,305	
Total Natural Resources and Recreation	**55,631**	**0.5%**
Health - Physical and Mental		
Environmental Management	51,348	
Medicaid Agency	3,112,684	
Mental Health And Retardation	475,587	
Public Health	381,590	
Other	2,524	
Total Health - Physical and Mental	**4,023,733**	**33.2%**
Social Services		
Economic and Community Affairs	44,745	
Education	31,904	
Human Resources	913,527	
Industrial Relations	360,089	
Rehabilitation Services	94,485	
Senior Services	37,780	
Veterans Affairs	24,534	
Other	18,066	
Total Social Services	**1,525,130**	**12.6%**

	Amount	Percent of Total
Protection of Persons and Property		
Agriculture and Industries	26,624	
Attorney General	11,531	
Banking	6,016	
Commercial Mobile Radio Services Board	9,723	
Corrections	216,955	
Economic and Community Affairs	25,229	
Emergency Management	56,198	
Finance Special Appropriations	7,551	
Forensic Sciences	14,101	
Industrial Relations	8,096	
Military	18,389	
Pardons And Paroles	19,929	
Public Safety	80,678	
Youth Services	57,746	
Other	36,962	
Total Protection of Persons and Property	**595,728**	**4.9%**
Transportation		
Transportation	1,082,933	
Total Transportation	**1,082,933**	**8.9%**
General Government		
Administrative Office of Courts	140,013	
Crime Victims Compensation Commission	5,246	
District Attorneys	24,620	
Economic and Community Affairs	100,307	
Examiners of Public Accounts	16,631	
Finance	8,334	
Finance Special Appropriations	42,699	
Governor	5,502	
Legislature	16,690	
Personnel	6,039	
Retirement Systems of Alabama	18,860	
Revenue	80,547	
Supreme Court	7,865	
Other	33,684	
Total General Government	**507,037**	**4.2%**
Capital Outlay		
Public School and College Authority	255,114	
State Industrial Development Authority	4,819	
Twenty-first Century Authority	10,558	
Other	6,604	
Total Capital Outlay	**277,095**	**2.3%**

Continued on next page...

SCHEDULE OF EXPENDITURES BY FUNCTION AND DEPARTMENT
All Governmental Fund Types, Expendable Trust Funds, and Discretely Presented Component Units
(Continued from previous page)

For the Fiscal Year Ended September 30, 2001

(Amounts in Thousands)

	Amount	Percent of Total
Debt Service		
Corrections Institute Finance Authority	6,723	
Debt Service And Reserve	36,763	
Human Resources	4,216	
Incentives Financing Authority	10,979	
Industrial Access Road and Bridge Authority	4,410	
Judicial Building Authority	3,973	
Mental Health Finance Authority	7,709	
Public Safety	2,395	
Public School and College Authority	122,735	
State Industrial Development Authority	3,737	
Transportation	22,969	
Other	8,726	
Total Debt Service	**235,335**	**1.9%**
Distributions To Cities		
ABC Two Percent State Sales Tax	2,269	
City and County Auto License 7%	717	
Financial Institutions Excise Tax-Local Share	7,453	
Four Cents Gas and Luboil Tax, Act 80-427	7,837	
Gas Tax-City And County	9,767	
IRP Receipts - Local Share	1,219	
Municipal Government Capital Improvement Fund	8,572	
Petroleum Commodities Inspection Fees-Local Share	1,763	
Production Privilege	2,302	
Other	289	
Total Distributions To Cities	**42,188**	**0.3%**
Distributions To Counties		
ABC Two Percent State Sales Tax	799	
Additional Truck Tag License Distribution Account	9,798	
Beer Tax - Local Share	4,944	
City and County Auto License 7%	4,368	
County Government Capital Improvement Fund	8,572	
Financial Institutions Excise Tax-Local Share	3,526	
Four Cents Gas and Luboil Tax, Act 80-427	69,989	
Gas Tax-City And County	80,171	
IRP Receipts - Local Share	1,225	
Lodgings Tax-North Alabama	1,111	
Municipal And County Coal Tax	3,044	
Non-TVA Served Dry County and City Distribution	3,754	
Petroleum Commodities Inspection Fees-Local Share	9,237	
Production Privilege	18,540	
State Port Authority Bulk Handling Facilities Trust Fund	1,500	
TVA-Served Counties Distributions	56,306	
U.S Forestry Reserve	1,054	
Other	430	
Total Distributions To Counties	**278,368**	**2.3%**
	$12,133,684	**100.0%**

SCHEDULE OF FEDERAL REVENUES BY AGENCY
All Funds Except Higher Education

For the Fiscal Year Ended September 30, 2001
(Amounts in Thousands)

Agency	
Administrative Office of Courts	780
Agriculture and Industries	7,145
Attorney General	1,173
Child Abuse and Neglect Prevention	665
Children's Affairs	487
Choctawhatchee, Pea & Yellow Rivers Watershed Mgt Authorit	86
Commission On Higher Education	1,486
Conservation and Natural Resources	12,009
Corrections	1,293
Council on the Arts	555
Crime Victims Compensation Commission	1,894
Criminal Justice Information Center	247
Drinking Water Finance Authority	12,620
Economic and Community Affairs	145,064
Education	542,059
Emergency Management	51,177
Environmental Management	14,942
Farmers' Market Authority	20
Finance Special Funds	1,054
Forensic Sciences	7
Forestry Commission	4,623
Forever Wild Land Trust	1,000
Geological Survey	696
High School of Math and Science	3
Historical Commission	940
Human Resources	682,152
Indian Affairs Commission	15
Industrial Relations	76,358
Labor	109
Manufactured Housing Commission	144
Medicaid Agency	2,140,304
Mental Health And Retardation	43,257
Military	13,654
Office of National And Community Service	1,326
Public Health	189,204
Public Library Service	2,384
Public Safety	7,125
Public Service Commission	185
Rehabilitation Services	57,945
School of Fine Arts	19
Senior Services	18,008
Soil and Water Conservation Commission	583
Surface Mining Commission	962
Transportation	689,581
Veterans Affairs	6,219
Water Pollution Control Authority	20,248
Total Federal Revenues	**$ 4,751,807**

DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*

For the Fiscal Year Ended September 30, 2001

(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
EXPENDITURES:			
ADMINISTRATIVE OFFICE OF COURTS			
Administrative Services	4,095	4,085	10
Court Equipment/Security	922	916	6
Court Operations	103,847	103,844	3
DUI Court Referral	67	67	-
Fringe Benefits	865	814	51
Judicial Building Operations	3,986	3,986	-
Juvenile Probation Officer Services	6,369	6,369	-
TOTAL ADMINISTRATIVE OFFICE OF COURTS	**120,151**	**120,081**	**70**
AGRICULTURE AND INDUSTRIES			
Administrative Services	3,484	3,484	-
Agricultural Development Services	1,478	1,478	-
Agricultural Inspection Services	6,414	6,414	-
Lab Analysis and Disease Control	3,234	3,234	-
TOTAL AGRICULTURE AND INDUSTRIES	**14,610**	**14,610**	**-**
ATTORNEY GENERAL			
Fair Marketing Practices: Consumer Protection	729	729	-
Legal Advice and Legal Service: Attorney General - Operations	8,978	8,975	3
Legal Advice and Legal Service: Consumer Utility Fund	252	252	-
TOTAL ATTORNEY GENERAL	**9,959**	**9,956**	**3**
AUDITOR			
Fiscal Management	957	935	22
TOTAL AUDITOR	**957**	**935**	**22**
COMMISSION ON HIGHER EDUCATION			
Alabama Guaranteed Student Loan	-	-	-
Planning and Coordination Services	-	-	-
Student Financial Aid	-	-	-
Support - Other Educational Activities	-	-	-
TOTAL COMMISSION ON HIGHER EDUCATION	**-**	**-**	**-**
CORRECTIONS			
Administration Service and Logistical Supply	9,824	9,819	5
Capital Outlay	150	150	-
Correctional Industries	-	-	-
Institutional Service Corrections	177,031	176,951	80
TOTAL CORRECTIONS	**187,005**	**186,920**	**85**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
-	-	-	2,677	2,150	527	6,772	6,235	537
-	-	-	-	-	-	922	916	6
-	-	-	12,385	10,089	2,296	116,232	113,933	2,299
-	-	-	-	-	-	67	67	-
-	-	-	-	-	-	865	814	51
-	-	-	-	-	-	3,986	3,986	-
-	-	-	12,948	7,554	5,394	19,317	13,923	5,394
-	**-**	**-**	**28,010**	**19,793**	**8,217**	**148,161**	**139,874**	**8,287**
-	-	-	1,583	1,261	322	5,067	4,745	322
-	-	-	717	504	213	2,195	1,982	213
-	-	-	8,433	6,077	2,356	14,847	12,491	2,356
-	-	-	7,473	6,572	901	10,707	9,806	901
-	**-**	**-**	**18,206**	**14,414**	**3,792**	**32,816**	**29,024**	**3,792**
-	-	-	-	-	-	729	729	-
-	-	-	3,155	1,772	1,383	12,133	10,747	1,386
-	-	-	-	-	-	252	252	-
-	**-**	**-**	**3,155**	**1,772**	**1,383**	**13,114**	**11,728**	**1,386**
-	-	-	-	-	-	957	935	22
-	**-**	**-**	**-**	**-**	**-**	**957**	**935**	**22**
-	-	-	1,355	838	517	1,355	838	517
2,620	2,481	139	-	-	-	2,620	2,481	139
8,214	8,075	139	2,720	1,175	1,545	10,934	9,250	1,684
2,338	2,337	1	1,198	820	378	3,536	3,157	379
13,172	**12,893**	**279**	**5,273**	**2,833**	**2,440**	**18,445**	**15,726**	**2,719**
-	-	-	-	-	-	9,824	9,819	5
-	-	-	5,483	740	4,743	5,633	890	4,743
-	-	-	21,570	16,945	4,625	21,570	16,945	4,625
-	-	-	34,126	33,038	1,088	211,157	209,989	1,168
-	**-**	**-**	**61,179**	**50,723**	**10,456**	**248,184**	**237,643**	**10,541**

Continued on next page...

DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*
(Continued from previous page)

For the Fiscal Year Ended September 30, 2001

(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
ECONOMIC AND COMMUNITY AFFAIRS			
Administrative Support Service	67	63	4
Energy Management	930	912	18
Law Enforcement Planning and Development	440	408	32
PALS/Adopt-A-Mile	150	150	-
Planning	18,518	17,671	847
Skills Enhancement/Employment Opportunities	1,713	1,700	13
Surplus Property	382	380	2
Water Resources	1,469	1,404	65
TOTAL ECONOMIC AND COMMUNITY AFFAIRS	**23,669**	**22,688**	**981**
EDUCATION			
Administrative Services	-	-	-
Adult Education	-	-	-
Alabama Science in Motion	-	-	-
At-Risk Program	-	-	-
Board of Adjustment	-	-	-
Capital Outlay	-	-	-
Community Education	-	-	-
Disability Determination for Social Security	-	-	-
Endowment Interest Program-PSF	-	-	-
Financial Assistance	-	-	-
Foundation Program	-	-	-
Hold Harmless Program-PSF	-	-	-
Non-State Special Education Schools	-	-	-
Salary Matrix Adjustment	-	-	-
School Nurses Program	-	-	-
Support - Other Educational Activities	-	-	-
Transportation Program	-	-	-
TOTAL EDUCATION	-	-	-
EMERGENCY MANAGEMENT AGENCY			
Readiness and Recovery	1,284	1,037	247
Readiness and Recovery-FEMA	4,785	3,503	1,282
TOTAL EMERGENCY MANAGEMENT AGENCY	**6,069**	**4,540**	**1,529**
EXAMINERS OF PUBLIC ACCOUNTS			
Legislative Support - Audit Service	12,335	12,335	-
TOTAL EXAMINERS OF PUBLIC ACCOUNTS	**12,335**	**12,335**	**-**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
-	-	-	7,680	5,987	1,693	7,747	6,050	1,697
-	-	-	3,428	2,451	977	4,358	3,363	995
-	-	-	37,576	30,835	6,741	38,016	31,243	6,773
-	-	-	-	-	-	150	150	-
-	-	-	100,492	79,695	20,797	119,010	97,366	21,644
-	-	-	63,812	48,363	15,449	65,525	50,063	15,462
-	-	-	2,087	1,109	978	2,469	1,489	980
-	-	-	50	6	44	1,519	1,410	109
-	**-**	**-**	**215,125**	**168,446**	**46,679**	**238,794**	**191,134**	**47,660**
42,903	42,798	105	57,531	20,353	37,178	100,434	63,151	37,283
5,806	5,806	-	12,990	8,094	4,896	18,796	13,900	4,896
-	-	-	2,773	2,552	221	2,773	2,552	221
29,778	29,400	378	-	-	-	29,778	29,400	378
563	563	-	-	-	-	563	563	-
-	-	-	83,006	82,972	34	83,006	82,972	34
1,217	1,173	44	896	453	443	2,113	1,626	487
-	-	-	51,975	30,887	21,088	51,975	30,887	21,088
-	-	-	533	-	533	533	-	533
14,140	13,360	780	548,735	475,325	73,410	562,875	488,685	74,190
2,410,538	2,410,538	-	-	-	-	2,410,538	2,410,538	-
-	-	-	8,994	8,994	-	8,994	8,994	-
560	560	-	-	-	-	560	560	-
16,137	16,134	3	-	-	-	16,137	16,134	3
5,657	5,657	-	-	-	-	5,657	5,657	-
3,487	3,413	74	-	-	-	3,487	3,413	74
180,995	180,975	20	-	-	-	180,995	180,975	20
2,711,781	**2,710,377**	**1,404**	**767,433**	**629,630**	**137,803**	**3,479,214**	**3,340,007**	**139,207**
-	-	-	42,517	30,273	12,244	43,801	31,310	12,491
-	-	-	46,831	21,694	25,137	51,616	25,197	26,419
-	**-**	**-**	**89,348**	**51,967**	**37,381**	**95,417**	**56,507**	**38,910**
2,811	2,811	-	2,264	1,444	820	17,410	16,590	820
2,811	**2,811**	**-**	**2,264**	**1,444**	**820**	**17,410**	**16,590**	**820**

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DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*
(Continued from previous page)

For the Fiscal Year Ended September 30, 2001

(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
FINANCE			
Administrative Support Service	-	-	-
Administrative Support Service: Alabama Building Renovation Finance Authority	-	-	-
Administrative Support Service: Capital Complex M & R	-	-	-
Administrative Support Service: Capitol Police	1,234	1,200	34
Administrative Support Service: Legal Division	331	330	1
Administrative Support Service: Personnel/Space Management	192	191	1
Administrative Support Service: Purchasing	1,337	1,264	73
Administrative Support Service: Service Division	799	723	76
Capital Outlay: Service Division	23	8	15
Fiscal Management	-	-	-
Fiscal Management: Budget Office	972	962	10
Fiscal Management: Comptroller's Office	3,086	3,057	29
TOTAL FINANCE	**7,974**	**7,735**	**239**
GOVERNOR			
Criminal Investigation: Law Enforcement Fund	137	52	85
Executive Direction: Governor's Contingency Fund	915	912	3
Executive Direction: Governor's Mansion	419	419	-
Executive Direction: Governor's Office	2,937	2,936	1
Executive Direction: Governor's Proclamation Expense	1,200	1,100	100
Executive Direction: National Governors' Conference	199	179	20
TOTAL GOVERNOR	**5,807**	**5,598**	**209**
HUMAN RESOURCES			
Human Services	-	-	-
TOTAL HUMAN RESOURCES	**-**	**-**	**-**
INDUSTRIAL RELATIONS			
Administrative Services	-	-	-
Employment Security	-	-	-
Industrial Safety and Accident Prevention	691	660	31
Regulation Workers Compensation	-	-	-
TOTAL INDUSTRIAL RELATIONS	**691**	**660**	**31**
LEGISLATURE			
Legislative Operations and Support	17,439	15,190	2,249
TOTAL LEGISLATURE	**17,439**	**15,190**	**2,249**
MEDICAID AGENCY			
Medical Assistance Through Medicaid	235,868	235,868	-
TOTAL MEDICAID AGENCY	**235,868**	**235,868**	**-**
MENTAL HEALTH AND RETARDATION			
Administrative Services	-	-	-
Institutional Treatment and Care of Mentally Ill	-	-	-
Institutional Treatment and Care of Mentally Retarded	-	-	-
Substance Abuse Program	-	-	-
TOTAL MENTAL HEALTH AND RETARDATION	**-**	**-**	**-**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
-	-	-	78,430	65,323	13,107	78,430	65,323	13,107
-	-	-	8,860	6,566	2,294	8,860	6,566	2,294
-	-	-	8,760	8,051	709	8,760	8,051	709
-	-	-	-	-	-	1,234	1,200	34
-	-	-	-	-	-	331	330	1
-	-	-	-	-	-	192	191	1
-	-	-	-	-	-	1,337	1,264	73
-	-	-	-	-	-	799	723	76
-	-	-	-	-	-	23	8	15
-	-	-	2,391	1,683	708	2,391	1,683	708
-	-	-	-	-	-	972	962	10
-	-	-	-	-	-	3,086	3,057	29
-	**-**	**-**	**98,441**	**81,623**	**16,818**	**106,415**	**89,358**	**17,057**
-	-	-	-	-	-	137	52	85
-	-	-	-	-	-	915	912	3
-	-	-	-	-	-	419	419	-
-	-	-	-	-	-	2,937	2,936	1
-	-	-	-	-	-	1,200	1,100	100
-	-	-	-	-	-	199	179	20
-	**-**	**-**	**-**	**-**	**-**	**5,807**	**5,598**	**209**
-	-	-	932,251	917,525	14,726	932,251	917,525	14,726
-	**-**	**-**	**932,251**	**917,525**	**14,726**	**932,251**	**917,525**	**14,726**
-	-	-	20,184	16,501	3,683	20,184	16,501	3,683
-	-	-	55,379	45,739	9,640	55,379	45,739	9,640
-	-	-	5,367	3,220	2,147	6,058	3,880	2,178
-	-	-	4,985	4,216	769	4,985	4,216	769
-	**-**	**-**	**85,915**	**69,676**	**16,239**	**86,606**	**70,336**	**16,270**
-	-	-	-	-	-	17,439	15,190	2,249
-	**-**	**-**	**-**	**-**	**-**	**17,439**	**15,190**	**2,249**
-	-	-	2,946,104	2,876,950	69,154	3,181,972	3,112,818	69,154
-	**-**	**-**	**2,946,104**	**2,876,950**	**69,154**	**3,181,972**	**3,112,818**	**69,154**
-	-	-	15,626	14,363	1,263	15,626	14,363	1,263
-	-	-	252,203	246,010	6,193	252,203	246,010	6,193
-	-	-	198,513	189,769	8,744	198,513	189,769	8,744
-	-	-	35,191	29,044	6,147	35,191	29,044	6,147
-	**-**	**-**	**501,533**	**479,186**	**22,347**	**501,533**	**479,186**	**22,347**

Continued on next page...

DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*
(Continued from previous page)

For the Fiscal Year Ended September 30, 2001

(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
POSTSECONDARY EDUCATION			
Firefighters-Fire College: Firefighters/Fire College	-	-	-
Industrial Training: AIDT/Development Program	-	-	-
Industrial Training: AIDT/Training Program	-	-	-
Postsecondary Administration	-	-	-
Postsecondary Administration: Postsecondary/Chancellor's	-	-	-
Postsecondary-Junior Colleges: Two Year Colleges/Critical Needs	-	-	-
Postsecondary-Junior Colleges: Two Year Colleges/Operations and Maintenance	-	-	-
Postsecondary-Prison Education: Prison Education-Operations and Maintenance	-	-	-
Postsecondary-Technical Colleges	-	-	-
Support of State Universities: Athens State - Operations and Maintenance	-	-	-
Support of State Universities: Athens-In Service Center	-	-	-
TOTAL POSTSECONDARY EDUCATION	**-**	**-**	**-**
PUBLIC HEALTH			
Administrative Services	11,104	11,103	1
Children's Health Insurance	-	-	-
Family Practice Rural Health	-	-	-
Health Support Services	26,563	26,563	-
Personal Health Services	11,033	11,033	-
TOTAL PUBLIC HEALTH	**48,700**	**48,699**	**1**
PUBLIC SAFETY			
Administrative Services	20,039	20,038	1
Police Services	33,820	33,816	4
Public Safety Support Services	10,057	10,052	5
Readiness and Recovery	200	108	92
TOTAL PUBLIC SAFETY	**64,116**	**64,014**	**102**
PUBLIC SERVICE COMMISSION			
Administrative Services	-	-	-
Regulatory Services	-	-	-
TOTAL PUBLIC SERVICE COMMISSION	**-**	**-**	**-**
REHABILITATION SERVICES			
Direct Client Services-Handicap	1,973	1,973	-
TOTAL REHABILITATION SERVICES	**1,973**	**1,973**	**-**
REVENUE			
State Revenue Administration	129	62	67
TOTAL REVENUE	**129**	**62**	**67**
SECRETARY OF STATE			
Administrative Support Service	-	-	-
Administrative Support Service: Dist Public Documents	328	277	51
Administrative Support Service: Printing of Acts/Journals	443	150	293
Administrative Support Service: Printing of Codes	121	50	71
Administrative Support Service: Secretary of State	829	824	5
Special Services: Training Elected Officials	73	-	73
TOTAL SECRETARY OF STATE	**1,794**	**1,301**	**493**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
3,719	3,719	-	-	-	-	3,719	3,719	-
5,385	5,385	-	-	-	-	5,385	5,385	-
3,417	3,417	-	-	-	-	3,417	3,417	-
-	-	-	908	515	393	908	515	393
2,688	2,634	54	-	-	-	2,688	2,634	54
1,742	1,742	-	-	-	-	1,742	1,742	-
213,000	213,000	-	-	-	-	213,000	213,000	-
7,805	7,805	-	-	-	-	7,805	7,805	-
-	-	-	1,800	1,212	588	1,800	1,212	588
8,361	8,361	-	-	-	-	8,361	8,361	-
207	207	-	-	-	-	207	207	-
246,324	**246,270**	**54**	**2,708**	**1,727**	**981**	**249,032**	**247,997**	**1,035**
-	-	-	12,546	7,176	5,370	23,650	18,279	5,371
-	-	-	81,281	55,123	26,158	81,281	55,123	26,158
1,022	910	112	-	-	-	1,022	910	112
10,120	10,120	-	145,912	117,207	28,705	182,595	153,890	28,705
4,371	4,354	17	159,573	143,355	16,218	174,977	158,742	16,235
15,513	**15,384**	**129**	**399,312**	**322,861**	**76,451**	**463,525**	**386,944**	**76,581**
-	-	-	5,815	4,307	1,508	25,854	24,345	1,509
-	-	-	24,550	12,107	12,443	58,370	45,923	12,447
-	-	-	6,314	4,274	2,040	16,371	14,326	2,045
-	-	-	-	-	-	200	108	92
-	-	-	**36,679**	**20,688**	**15,991**	**100,795**	**84,702**	**16,093**
-	-	-	7,812	6,895	917	7,812	6,895	917
-	-	-	5,793	5,490	303	5,793	5,490	303
-	-	-	**13,605**	**12,385**	**1,220**	**13,605**	**12,385**	**1,220**
27,799	27,799	-	93,991	81,313	12,678	123,763	111,085	12,678
27,799	**27,799**	**-**	**93,991**	**81,313**	**12,678**	**123,763**	**111,085**	**12,678**
-	-	-	86,514	83,795	2,719	86,643	83,857	2,786
-	-	-	**86,514**	**83,795**	**2,719**	**86,643**	**83,857**	**2,786**
-	-	-	1,740	952	788	1,740	952	788
-	-	-	-	-	-	328	277	51
-	-	-	-	-	-	443	150	293
-	-	-	-	-	-	121	50	71
-	-	-	-	-	-	829	824	5
-	-	-	-	-	-	73	-	73
-	-	-	**1,740**	**952**	**788**	**3,534**	**2,253**	**1,281**

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DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*
(Continued from previous page)

For the Fiscal Year Ended September 30, 2001

(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
TRANSPORTATION			
Airport Development and Aeronautics	-	-	-
Airport Improvement Program	-	-	-
Appropriation Transfers	-	-	-
Capital Outlay	-	-	-
Captive County Health Insurance	-	-	-
Central Administration	-	-	-
Construction-Federal Aid Programs	-	-	-
Construction-State Programs	-	-	-
Debt Service	-	-	-
Debt Service, General Obligation Bonds	-	-	-
Division and District Supervision	-	-	-
Maintenance	-	-	-
Operations and Support Service	-	-	-
Other Equipment Purchases	-	-	-
TOTAL TRANSPORTATION	**-**	**-**	**-**
TREASURER			
Fiscal Management	2,923	2,344	579
TOTAL TREASURER	**2,923**	**2,344**	**579**
YOUTH SERVICES			
Community Educational Programs	-	-	-
Financial Assistance	-	-	-
Youth Services	12,131	12,131	-
Youth Services-Boot Camps	4,275	4,275	-
TOTAL YOUTH SERVICES	**16,406**	**16,406**	**-**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
-	-	-	21,854	2,441	19,413	21,854	2,441	19,413
-	-	-	1,200	-	1,200	1,200	-	1,200
-	-	-	3,500	3,500	-	3,500	3,500	-
-	-	-	635	-	635	635	-	635
-	-	-	140	94	46	140	94	46
-	-	-	55,485	34,584	20,901	55,485	34,584	20,901
-	-	-	2,473,499	837,320	1,636,179	2,473,499	837,320	1,636,179
-	-	-	175,880	71,505	104,375	175,880	71,505	104,375
-	-	-	4,410	4,410	-	4,410	4,410	-
-	-	-	22,969	22,969	-	22,969	22,969	-
-	-	-	24,530	12,267	12,263	24,530	12,267	12,263
-	-	-	158,123	137,815	20,308	158,123	137,815	20,308
-	-	-	7,572	3,416	4,156	7,572	3,416	4,156
-	-	-	6,922	4,463	2,459	6,922	4,463	2,459
-	**-**	**-**	**2,956,719**	**1,134,784**	**1,821,935**	**2,956,719**	**1,134,784**	**1,821,935**
-	-	-	6,045	4,308	1,737	8,968	6,652	2,316
-	**-**	**-**	**6,045**	**4,308**	**1,737**	**8,968**	**6,652**	**2,316**
4,683	4,683	-	-	-	-	4,683	4,683	-
6,737	6,523	214	506	397	109	7,243	6,920	323
37,017	36,777	240	19,786	4,555	15,231	68,934	53,463	15,471
-	-	-	-	-	-	4,275	4,275	-
48,437	**47,983**	**454**	**20,292**	**4,952**	**15,340**	**85,135**	**69,341**	**15,794**

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DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*
(Continued from previous page)

For the Fiscal Year Ended September 30, 2001

(Amounts in Thousands)

	General Fund		
	Budget	Actual	Variance
COLLEGES AND UNIVERSITIES			
Alabama Agricultural and Mechanical University			
Support of State Universities: ACES-System Personnel Costs	-	-	-
Support of State Universities: Agriculture Research Station Fixed Costs	-	-	-
Support of State Universities: Alabama A&M-Agriculture Research Extension State Match	-	-	-
Support of State Universities: Alabama A&M-Desegregation Planning	-	-	-
Support of State Universities: Alabama A&M-In Service Center	-	-	-
Support of State Universities: Alabama A&M-Miles College	-	-	-
Support of State Universities: Alabama A&M-Operations and Maintenance	-	-	-
Support of State Universities: Title VI Program Enhancement	-	-	-
Support of State Universities: Urban Affairs and Non-Trade Program	-	-	-
Total Alabama Agricultural and Mechanical University	-	-	-
Alabama Institute for the Deaf and Blind			
AIDB Adult Programs	-	-	-
AIDB Children and Youth Programs	-	-	-
AIDB Industries for Blind	-	-	-
Total Alabama Institute for the Deaf and Blind	-	-	-
Alabama State University			
Support of State Universities: Alabama State University - Desegregation Planning	-	-	-
Support of State Universities: Alabama State University-In Service Center	-	-	-
Support of State Universities: Alabama State University-Operations and Maintenance	-	-	-
Support of State Universities: Title VI Program Enhancement	-	-	-
Total Alabama State University	-	-	-
Auburn University			
Support of State Universities: Auburn University - in Service Center	-	-	-
Support of State Universities: Auburn University System-Operations and Maintenance	-	-	-
Support of State Universities: Auburn University-AUM Operations and Maintenance	-	-	-
Support of State Universities: Auburn/Agriculture Experiment Station	-	-	-
Support of State Universities: Auburn/Cooperative Extension Service	-	-	-
Support of State Universities: Auburn/Technology Network	-	-	-
Total Auburn University	-	-	-
Jacksonville State University			
Support of State Universities: Jacksonville State University-Operations and Maintenance	-	-	-
Support of State Universities: Jacksonville/Senate Special Projects	-	-	-
Support of State Universities: Jacksonville-In Service Center	-	-	-
Total Jacksonville State University	-	-	-
Troy State University			
Support of State Universities: Troy State University Southeast Alabama Technology Network	-	-	-
Support of State Universities: Troy State University System-Operations and Maintenance	-	-	-
Support of State Universities: Troy State University-In Service Center	-	-	-
Total Troy State University	-	-	-

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
867	867	-	-	-	-	867	867	-
281	281	-	-	-	-	281	281	-
855	855	-	-	-	-	855	855	-
173	173	-	-	-	-	173	173	-
284	284	-	-	-	-	284	284	-
347	347	-	-	-	-	347	347	-
25,416	25,416	-	-	-	-	25,416	25,416	-
535	535	-	-	-	-	535	535	-
1,662	1,662	-	-	-	-	1,662	1,662	-
30,420	**30,420**	**-**	**-**	**-**	**-**	**30,420**	**30,420**	**-**
7,434	7,434	-	-	-	-	7,434	7,434	-
20,888	20,888	-	-	-	-	20,888	20,888	-
5,082	5,082	-	-	-	-	5,082	5,082	-
33,404	**33,404**	**-**	**-**	**-**	**-**	**33,404**	**33,404**	**-**
173	173	-	-	-	-	173	173	-
219	219	-	-	-	-	219	219	-
26,498	26,498	-	-	-	-	26,498	26,498	-
1,555	1,555	-	-	-	-	1,555	1,555	-
28,445	**28,445**	**-**	**-**	**-**	**-**	**28,445**	**28,445**	**-**
223	223	-	-	-	-	223	223	-
126,771	126,771	-	-	-	-	126,771	126,771	-
18,131	18,131	-	-	-	-	18,131	18,131	-
22,687	22,687	-	-	-	-	22,687	22,687	-
25,389	25,389	-	-	-	-	25,389	25,389	-
1,642	1,642	-	-	-	-	1,642	1,642	-
194,843	**194,843**	**-**	**-**	**-**	**-**	**194,843**	**194,843**	**-**
27,191	27,191	-	-	-	-	27,191	27,191	-
141	141	-	-	-	-	141	141	-
214	214	-	-	-	-	214	214	-
27,546	**27,546**	**-**	**-**	**-**	**-**	**27,546**	**27,546**	**-**
375	375	-	-	-	-	375	375	-
33,419	33,419	-	-	-	-	33,419	33,419	-
239	239	-	-	-	-	239	239	-
34,033	**34,033**	**-**	**-**	**-**	**-**	**34,033**	**34,033**	**-**

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DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*
(Continued from previous page)

For the Fiscal Year Ended September 30, 2001

(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
University of Alabama - Birmingham			
Support - Other Educational Activities: UAB-In Service	-	-	-
Support of State Universities	-	-	-
Support of State Universities: Chauncey Sparks Center/UAB	-	-	-
Support of State Universities: GF James Cystic Fibrosis Center	-	-	-
Support of State Universities: UAB Brain Tumor Center	-	-	-
Support of State Universities: University of Alabama-Birmingham-Operations and Maintenance	-	-	-
Total University of Alabama - Birmingham	-	-	-
University of Alabama - Huntsville			
Support of State Universities: University of Alabama-Huntsville-Operations and Maintenance	-	-	-
Total University of Alabama - Huntsville	-	-	-
University of Alabama - Tuscaloosa			
Support - Other Educational Activities: VAT-In Service	-	-	-
Support of State Universities: School Fest	-	-	-
Support of State Universities: UA-Alabama Minority Technical Network	-	-	-
Support of State Universities: UA-Alabama Technical Network	-	-	-
Support of State Universities: University of Alabama-Tuscaloosa-Operations and Maintenance	-	-	-
Total University of Alabama - Tuscaloosa	-	-	-
University of Montevallo			
Support of State Universities: University of Montevallo-In Service Center	-	-	-
Support of State Universities: University of Montevallo-Operations and Maintenance	-	-	-
Total University of Montevallo	-	-	-
University of North Alabama			
Support of State Universities: University of North Alabama-In Service	-	-	-
Support of State Universities: University of North Alabama-Operations and Maintenance	-	-	-
Total University of North Alabama	-	-	-
University of South Alabama			
Support - Other Educational Activities: University of South Alabama-In Service	-	-	-
Support of State Universities: University of South Alabama-Operations and Maintenance	-	-	-
Total University of South Alabama	-	-	-
University of West Alabama			
Support of State Universities: University of West Alabama-Operations and Maintenance	-	-	-
Total University of West Alabama	-	-	-
TOTAL COLLEGES AND UNIVERSITIES	-	-	-

Education Trust Fund			Earmarked Funds			Total		
Budget	**Actual**	**Variance**	**Budget**	**Actual**	**Variance**	**Budget**	**Actual**	**Variance**
330	330	-	-	-	-	330	330	-
-	-	-	66	66	-	66	66	-
4,032	4,032	-	-	-	-	4,032	4,032	-
188	188	-	-	-	-	188	188	-
188	188	-	-	-	-	188	188	-
202,246	202,246	-	-	-	-	202,246	202,246	-
206,984	**206,984**	**-**	**66**	**66**	**-**	**207,050**	**207,050**	**-**
34,887	34,887	-	-	-	-	34,887	34,887	-
34,887	**34,887**	**-**	**-**	**-**	**-**	**34,887**	**34,887**	**-**
187	187	-	-	-	-	187	187	-
770	770	-	-	-	-	770	770	-
844	844	-	-	-	-	844	844	-
1,642	1,642	-	-	-	-	1,642	1,642	-
114,247	114,247	-	-	-	-	114,247	114,247	-
117,690	**117,690**	**-**	**-**	**-**	**-**	**117,690**	**117,690**	**-**
235	235	-	-	-	-	235	235	-
14,309	14,309	-	-	-	-	14,309	14,309	-
14,544	**14,544**	**-**	**-**	**-**	**-**	**14,544**	**14,544**	**-**
178	178	-	-	-	-	178	178	-
20,253	20,253	-	-	-	-	20,253	20,253	-
20,431	**20,431**	**-**	**-**	**-**	**-**	**20,431**	**20,431**	**-**
367	367	-	-	-	-	367	367	-
78,337	78,337	-	-	-	-	78,337	78,337	-
78,704	**78,704**	**-**	**-**	**-**	**-**	**78,704**	**78,704**	**-**
8,880	8,880	-	-	-	-	8,880	8,880	-
8,880	**8,880**	**-**	**-**	**-**	**-**	**8,880**	**8,880**	**-**
830,811	**830,811**	**-**	**66**	**66**	**-**	**830,877**	**830,877**	**-**

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DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*
(Continued from previous page)

For the Fiscal Year Ended September 30, 2001

(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
OTHER			
Academy of Honor			
Historical Resources Management	5	5	-
Total Academy of Honor	**5**	**5**	**-**
Accountancy Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Accountancy Board	**-**	**-**	**-**
Agricultural Museum Board			
Agricultural Promotional Program	-	-	-
Total Agricultural Museum Board	**-**	**-**	**-**
Agriculture and Industries Exhibit Commission			
Agricultural Development Services	35	35	-
Total Agriculture and Industries Exhibit Commission	**35**	**35**	**-**
Agriculture Center Board			
Agricultural Development Services: Fairs and Livestock Shows	177	171	6
Agricultural Development Services: Livestock Coliseum	324	324	-
Agricultural Development Services: Operations	351	351	-
Total Agriculture Center Board	**852**	**846**	**6**
Alabama Law Institute			
Support - Other Educational Activities	481	481	-
Total Alabama Law Institute	**481**	**481**	**-**
Alabama Onsite Wastewater Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Alabama Onsite Wastewater Board	**-**	**-**	**-**
Alabama Public Historical Sites Improvement Corporation			
Capital Outlay: Administration	-	-	-
Capital Outlay: Publicly Owned Historical Sites	-	-	-
Capital Outlay: State Owned Historical Sites	-	-	-
Total Alabama Public Historical Sites Improvement Corporation	**-**	**-**	**-**
Alabama State Parks System Improvement Corporation			
Capital Outlay	-	-	-
Total Alabama State Parks System Improvement Corporation	**-**	**-**	**-**
Alabama Trusts			
Appropriation Transfers	-	-	-
Fiscal Management	25	13	12
Total Alabama Trusts	**25**	**13**	**12**
Alcoholic Beverage Control Board			
Administrative Services	-	-	-
Alcoholic Beverage Management	-	-	-
Licensing, Regulation and Enforcement	-	-	-
Total Alcoholic Beverage Control Board	**-**	**-**	**-**
Architects Registration Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Architects Registration Board	**-**	**-**	**-**
Archives and History			
Historical Resources Management	3,070	3,070	-
Total Archives and History	**3,070**	**3,070**	**-**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
-	-	-	-	-	-	5	5	-
-	-	-	-	-	-	**5**	**5**	-
-	-	-	730	547	183	730	547	183
-	-	-	**730**	**547**	**183**	**730**	**547**	**183**
-	-	-	137	134	3	137	134	3
-	-	-	**137**	**134**	**3**	**137**	**134**	**3**
-	-	-	-	-	-	35	35	-
-	-	-	-	-	-	**35**	**35**	-
-	-	-	-	-	-	177	171	6
-	-	-	487	426	61	811	750	61
-	-	-	-	-	-	351	351	-
-	-	-	**487**	**426**	**61**	**1,339**	**1,272**	**67**
93	93	-	-	-	-	574	574	-
93	**93**	-	-	-	-	**574**	**574**	-
-	-	-	313	281	32	313	281	32
-	-	-	**313**	**281**	**32**	**313**	**281**	**32**
-	-	-	50	21	29	50	21	29
-	-	-	3,000	-	3,000	3,000	-	3,000
-	-	-	3,000	-	3,000	3,000	-	3,000
-	-	-	**6,050**	**21**	**6,029**	**6,050**	**21**	**6,029**
-	-	-	100,790	376	100,414	100,790	376	100,414
-	-	-	**100,790**	**376**	**100,414**	**100,790**	**376**	**100,414**
-	-	-	52,776	52,776	-	52,776	52,776	-
-	-	-	20	14	6	45	27	18
-	-	-	**52,796**	**52,790**	**6**	**52,821**	**52,803**	**18**
-	-	-	8,845	8,261	584	8,845	8,261	584
-	-	-	31,245	30,918	327	31,245	30,918	327
-	-	-	8,324	7,949	375	8,324	7,949	375
-	-	-	**48,414**	**47,128**	**1,286**	**48,414**	**47,128**	**1,286**
-	-	-	300	274	26	300	274	26
-	-	-	**300**	**274**	**26**	**300**	**274**	**26**
943	943	-	148	141	7	4,161	4,154	7
943	**943**	-	**148**	**141**	**7**	**4,161**	**4,154**	**7**

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DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*
(Continued from previous page)

For the Fiscal Year Ended September 30, 2001

(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
Athlete Agent Regulatory Commission			
Professional and Occupational Licensure and Regulation	-	-	-
Total Athlete Agent Regulatory Commission	**-**	**-**	**-**
Athletic Trainers Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Athletic Trainers Board	**-**	**-**	**-**
Auctioneers Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Auctioneers Board	**-**	**-**	**-**
Banking			
Charter Licensure and Regulation Financial	-	-	-
Total Banking	**-**	**-**	**-**
Board of Adjustment			
Special Services: Damage Claims-Board of Adjustment	8	6	2
Special Services: Death Claims-Board of Adjustment	741	600	141
Special Services: Voided Warrants-Board of Adjustment	7	4	3
Total Board of Adjustment	**756**	**610**	**146**
Building Commission			
Capital Outlay	41	41	-
Special Services	218	190	28
Total Building Commission	**259**	**231**	**28**
Child Abuse and Neglect Prevention			
Social Services	-	-	-
Total Child Abuse and Neglect Prevention	**-**	**-**	**-**
Children Services Facilitation			
Human Services	-	-	-
Total Children Services Facilitation	**-**	**-**	**-**
Children's Affairs			
Children's Policy Council	-	-	-
Social Services	507	373	134
Total Children's Affairs	**507**	**373**	**134**
Chiropractic Examiners Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Chiropractic Examiners Board	**-**	**-**	**-**
Choctawhatchee, Pea and Yellow Rivers Watershed Management Authority			
Water Resource Development	249	249	-
Total Choctawhatchee, Pea and Yellow Rivers Watershed Management Authority	**249**	**249**	**-**
Commision on Uniform State Laws			
Special Services	30	29	1
Total Commision on Uniform State Laws	**30**	**29**	**1**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
-	-	-	29	-	29	29	-	29
-	**-**	**-**	**29**	**-**	**29**	**29**	**-**	**29**
-	-	-	45	30	15	45	30	15
-	**-**	**-**	**45**	**30**	**15**	**45**	**30**	**15**
-	-	-	125	116	9	125	116	9
-	**-**	**-**	**125**	**116**	**9**	**125**	**116**	**9**
-	-	-	7,017	5,985	1,032	7,017	5,985	1,032
-	**-**	**-**	**7,017**	**5,985**	**1,032**	**7,017**	**5,985**	**1,032**
-	-	-	-	-	-	8	6	2
-	-	-	-	-	-	741	600	141
-	-	-	-	-	-	7	4	3
-	**-**	**-**	**-**	**-**	**-**	**756**	**610**	**146**
-	-	-	-	-	-	41	41	-
-	-	-	1,580	1,296	284	1,798	1,486	312
-	**-**	**-**	**1,580**	**1,296**	**284**	**1,839**	**1,527**	**312**
-	-	-	9,111	8,991	120	9,111	8,991	120
-	**-**	**-**	**9,111**	**8,991**	**120**	**9,111**	**8,991**	**120**
-	-	-	1,383	1,351	32	1,383	1,351	32
-	**-**	**-**	**1,383**	**1,351**	**32**	**1,383**	**1,351**	**32**
-	-	-	206	95	111	206	95	111
807	649	158	1,455	1,335	120	2,769	2,357	412
807	**649**	**158**	**1,661**	**1,430**	**231**	**2,975**	**2,452**	**523**
-	-	-	221	166	55	221	166	55
-	**-**	**-**	**221**	**166**	**55**	**221**	**166**	**55**
-	-	-	86	66	20	335	315	20
-	**-**	**-**	**86**	**66**	**20**	**335**	**315**	**20**
-	-	-	-	-	-	30	29	1
-	**-**	**-**	**-**	**-**	**-**	**30**	**29**	**1**

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DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*
(Continued from previous page)

For the Fiscal Year Ended September 30, 2001

(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
Conservation and Natural Resources			
Administrative Services	-	-	-
Capital Outlay	-	-	-
Game and Fish	-	-	-
Marine Police	-	-	-
Marine Resources	-	-	-
Outdoor Recreation Sites and Services	-	-	-
State Land Management	-	-	-
Total Conservation and Natural Resources	**-**	**-**	**-**
Cosmetology Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Cosmetology Board	**-**	**-**	**-**
Council on the Arts			
Community Arts and Cultural Program	-	-	-
Fine Arts	-	-	-
Total Council on the Arts	**-**	**-**	**-**
Counseling Examiners Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Counseling Examiners Board	**-**	**-**	**-**
Court of Civil Appeals			
Court Operations	3,042	2,960	82
Total Court of Civil Appeals	**3,042**	**2,960**	**82**
Court of Criminal Appeals			
Court Operations	3,543	3,536	7
Total Court of Criminal Appeals	**3,543**	**3,536**	**7**
Credit Union Administration			
Charter Licensure and Regulation Financial	-	-	-
Total Credit Union Administration	**-**	**-**	**-**
Crime Victims Compensation Commission			
Special Services	-	-	-
Total Crime Victims Compensation Commission	**-**	**-**	**-**
Criminal Justice Information Center			
Criminal Justice Infomation Services	2,594	2,592	2
Total Criminal Justice Information Center	**2,594**	**2,592**	**2**
Debt Service and Reserve			
Capital Outlay	-	-	-
Debt Service: General Obligation 1999-A Refunding	-	-	-
Fiscal Management: 92 Waterway Refunding	3,018	3,018	-
Fiscal Management: General Obligation 1999-A Refunding	19,054	19,054	-
Fiscal Management: General Obligation 1999-B Refunding	1,797	1,797	-
Total Debt Service and Reserve	**23,869**	**23,869**	**-**
Development Office			
Industrial Development: Alabama Development Office	4,091	3,862	229
Promotional Development: ADO-Alabama Film Commission	255	201	54
Total Development Office	**4,346**	**4,063**	**283**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
-	-	-	8,164	6,530	1,634	8,164	6,530	1,634
-	-	-	12,870	2,377	10,493	12,870	2,377	10,493
-	-	-	24,275	22,107	2,168	24,275	22,107	2,168
-	-	-	6,922	5,960	962	6,922	5,960	962
-	-	-	4,128	3,538	590	4,128	3,538	590
-	-	-	4,257	4,174	83	4,257	4,174	83
-	-	-	3,488	1,920	1,568	3,488	1,920	1,568
-	**-**	**-**	**64,104**	**46,606**	**17,498**	**64,104**	**46,606**	**17,498**
-	-	-	1,208	719	489	1,208	719	489
-	**-**	**-**	**1,208**	**719**	**489**	**1,208**	**719**	**489**
2,383	2,206	177	-	-	-	2,383	2,206	177
4,081	4,078	3	555	555	-	4,636	4,633	3
6,464	**6,284**	**180**	**555**	**555**	**-**	**7,019**	**6,839**	**180**
-	-	-	294	179	115	294	179	115
-	**-**	**-**	**294**	**179**	**115**	**294**	**179**	**115**
-	-	-	-	-	-	3,042	2,960	82
-	**-**	**-**	**-**	**-**	**-**	**3,042**	**2,960**	**82**
-	-	-	-	-	-	3,543	3,536	7
-	**-**	**-**	**-**	**-**	**-**	**3,543**	**3,536**	**7**
-	-	-	768	518	250	768	518	250
-	**-**	**-**	**768**	**518**	**250**	**768**	**518**	**250**
-	-	-	2,151	1,557	594	2,151	1,557	594
-	**-**	**-**	**2,151**	**1,557**	**594**	**2,151**	**1,557**	**594**
-	-	-	4,798	3,086	1,712	7,392	5,678	1,714
-	**-**	**-**	**4,798**	**3,086**	**1,712**	**7,392**	**5,678**	**1,714**
-	-	-	394	383	11	394	383	11
11,605	11,605	-	-	-	-	11,605	11,605	-
-	-	-	-	-	-	3,018	3,018	-
-	-	-	-	-	-	19,054	19,054	-
-	-	-	-	-	-	1,797	1,797	-
11,605	**11,605**	**-**	**394**	**383**	**11**	**35,868**	**35,857**	**11**
-	-	-	100	-	100	4,191	3,862	329
-	-	-	-	-	-	255	201	54
-	**-**	**-**	**100**	**-**	**100**	**4,446**	**4,063**	**383**

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DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*
(Continued from previous page)

For the Fiscal Year Ended September 30, 2001

(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
Dieteticians and Nutritionists Examining Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Dieteticians and Nutritionists Examining Board	**-**	**-**	**-**
Director of Finance			
Fiscal Management	2,332	1,962	370
Total Director of Finance	**2,332**	**1,962**	**370**
District Attorneys			
Court Operations	24,584	24,449	135
Total District Attorneys	**24,584**	**24,449**	**135**
Drug Education/Awareness Oversight Council			
Support - Other Educational Activities	-	-	-
Total Drug Education/Awareness Oversight Council	**-**	**-**	**-**
Educational Television Commission			
Capital Outlay	-	-	-
Educational Television	-	-	-
Total Educational Television Commission	**-**	**-**	**-**
Electrical Contractors Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Electrical Contractors Board	**-**	**-**	**-**
Electronic Security Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Electronic Security Board	**-**	**-**	**-**
Environmental Management			
Environmental Management	-	-	-
Total Environmental Management	**-**	**-**	**-**
ETF Direct Disbursements			
Debt Service: Auburn University Endowment	-	-	-
Debt Service: Grove Hill Endowment	-	-	-
Debt Service: Montevallo Endowment	-	-	-
Debt Service: University of Alabama Endowment	-	-	-
Employee Benefits: Teachers Retirement System Unused Sick Leave Death Benefits	-	-	-
Financial Assistance: Alabama School of Fine Arts	-	-	-
Financial Assistance: American Legion Scholarships	-	-	-
Special Services: Space Science Exhibit Commission	-	-	-
Support - Other Educational Activities: Dental Scholarships	-	-	-
Support - Other Educational Activities: Marine Environmental	-	-	-
Support - Other Educational Activities: Medical Scholarships	-	-	-
Support - Other Educational Activities: Montgomery Internal Medicine Residency	-	-	-
Support - Other Educational Activities: Music Hall of Fame	-	-	-
Support - Other Educational Activities: Optometric Scholarships	-	-	-
Total ETF Direct Disbursements	**-**	**-**	**-**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
-	-	-	100	77	23	100	77	23
-	**-**	**-**	**100**	**77**	**23**	**100**	**77**	**23**
-	-	-	-	-	-	2,332	1,962	370
-	**-**	**-**	**-**	**-**	**-**	**2,332**	**1,962**	**370**
-	-	-	-	-	-	24,584	24,449	135
-	**-**	**-**	**-**	**-**	**-**	**24,584**	**24,449**	**135**
744	743	1	-	-	-	744	743	1
744	**743**	**1**	**-**	**-**	**-**	**744**	**743**	**1**
120	-	120	-	-	-	120	-	120
9,328	9,328	-	1,790	624	1,166	11,118	9,952	1,166
9,448	**9,328**	**120**	**1,790**	**624**	**1,166**	**11,238**	**9,952**	**1,286**
-	-	-	375	151	224	375	151	224
-	**-**	**-**	**375**	**151**	**224**	**375**	**151**	**224**
-	-	-	185	151	34	185	151	34
-	**-**	**-**	**185**	**151**	**34**	**185**	**151**	**34**
-	-	-	45,244	38,322	6,922	45,244	38,322	6,922
-	**-**	**-**	**45,244**	**38,322**	**6,922**	**45,244**	**38,322**	**6,922**
20	20	-	-	-	-	20	20	-
1	1	-	-	-	-	1	1	-
335	335	-	-	-	-	335	335	-
61	61	-	-	-	-	61	61	-
750	750	-	-	-	-	750	750	-
4,014	4,014	-	-	-	-	4,014	4,014	-
106	98	8	-	-	-	106	98	8
375	375	-	-	-	-	375	375	-
114	114	-	-	-	-	114	114	-
2,615	2,615	-	-	-	-	2,615	2,615	-
440	440	-	-	-	-	440	440	-
220	220	-	-	-	-	220	220	-
137	137	-	-	-	-	137	137	-
97	97	-	-	-	-	97	97	-
9,285	**9,277**	**8**	**-**	**-**	**-**	**9,285**	**9,277**	**8**

Continued on next page...

DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*
(Continued from previous page)

For the Fiscal Year Ended September 30, 2001

(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
ETF Non-State			
Direct Client Services-Handicap: Camp ASCCA	-	-	-
Financial Assistance: DAR School	-	-	-
Human Services: East Alabama Child Development	-	-	-
Personal Health Services: AIDS Task Force	-	-	-
Personal Health Services: Bevill Center - Brewton	-	-	-
Personal Health Services: Epilepsy Foundation	-	-	-
Planning and Coordination Services: Sports Festival	-	-	-
Support - Other Educational Activities: Central Alabama OIC	-	-	-
Support - Other Educational Activities: Children's and Women's Hospital	-	-	-
Support - Other Educational Activities: Children's Hospital	-	-	-
Support - Other Educational Activities: Helen Keller Eye Research	-	-	-
Support - Other Educational Activities: League for Advancement	-	-	-
Support - Other Educational Activities: Lyman Ward Military Academy	-	-	-
Support - Other Educational Activities: Marion Military Institute	-	-	-
Support - Other Educational Activities: Talladega College	-	-	-
Support - Other Educational Activities: Tuskegee University	-	-	-
Total ETF Non-State	**-**	**-**	**-**
Ethics Commission			
Regulation of Public Officials and Employees	1,063	1,060	3
Total Ethics Commission	**1,063**	**1,060**	**3**
Farmers' Market Authority			
Agricultural Development Services	325	321	4
Capital Outlay	289	-	289
Total Farmers' Market Authority	**614**	**321**	**293**
Finance Special Appropriations			
Administration Service and Logistical Supply: Removal of Prisoners	500	499	1
Criminal Investigation: Arrest of Absconding Felons	60	28	32
Executive Direction: Governors' Widow Retirement	14	14	-
Fiscal Management: CMIA	786	745	41
Fiscal Management: Employee Suggestion Awards Program	500	8	492
Institutional Service Corrections: Feeding of Prisoners	6,800	6,799	1
Legal Advice and Legal Service: Automatic Appeal Expense	40	-	40
Legal Advice and Legal Service: Court Assessed Cost not Provided	250	230	20
Legal Advice and Legal Service: Law Enforcement Legal Defense	2	-	2
Special Services: Court Assessed Cost not Provided	3,000	3,000	-
Special Services: Election Expenses	4,500	4,500	-
Special Services: Emergency Fund, Departmental	2,388	419	1,969
Special Services: Freddie Lee Gaines	100	100	-
Special Services: Registration of Voters	2,800	2,633	167
Total Finance Special Appropriations	**21,740**	**18,975**	**2,765**
Finance Special Funds			
Appropriation Transfers	-	-	-
Capital Outlay	-	-	-
Non-State	-	-	-
Special Services	-	-	-
Total Finance Special Funds	**-**	**-**	**-**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
516	516	-	-	-	-	516	516	-
94	94	-	-	-	-	94	94	-
1,107	1,107	-	-	-	-	1,107	1,107	-
281	281	-	-	-	-	281	281	-
38	38	-	-	-	-	38	38	-
56	56	-	-	-	-	56	56	-
113	113	-	-	-	-	113	113	-
122	122	-	-	-	-	122	122	-
640	640	-	-	-	-	640	640	-
891	891	-	-	-	-	891	891	-
335	335	-	-	-	-	335	335	-
121	121	-	-	-	-	121	121	-
214	214	-	-	-	-	214	214	-
459	459	-	-	-	-	459	459	-
537	537	-	-	-	-	537	537	-
4,975	4,975	-	-	-	-	4,975	4,975	-
10,499	**10,499**	-	-	-	-	**10,499**	**10,499**	-
-	-	-	-	-	-	1,063	1,060	3
-	-	-	-	-	-	**1,063**	**1,060**	**3**
-	-	-	126	93	33	451	414	37
-	-	-	525	350	175	814	350	464
-	-	-	**651**	**443**	**208**	**1,265**	**764**	**501**
-	-	-	-	-	-	500	499	1
-	-	-	-	-	-	60	28	32
-	-	-	-	-	-	14	14	-
-	-	-	-	-	-	786	745	41
-	-	-	-	-	-	500	8	492
-	-	-	-	-	-	6,800	6,799	1
-	-	-	-	-	-	40	-	40
-	-	-	-	-	-	250	230	20
-	-	-	-	-	-	2	-	2
-	-	-	-	-	-	3,000	3,000	-
-	-	-	-	-	-	4,500	4,500	-
-	-	-	-	-	-	2,388	419	1,969
-	-	-	-	-	-	100	100	-
-	-	-	-	-	-	2,800	2,633	167
-	-	-	-	-	-	**21,740**	**18,975**	**2,765**
-	-	-	120,000	120,000	-	120,000	120,000	-
-	-	-	75,283	806	74,477	75,283	806	74,477
-	-	-	18,000	17,144	856	18,000	17,144	856
-	-	-	1,293	1,293	-	1,293	1,293	-
-	-	-	**214,576**	**139,243**	**75,333**	**214,576**	**139,243**	**75,333**

Continued on next page...

DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*
(Continued from previous page)

For the Fiscal Year Ended September 30, 2001

(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
Foreign Trade Relations Commission			
Special Services	92	60	32
Total Foreign Trade Relations Commission	**92**	**60**	**32**
Forensic Sciences			
Forensic Science Services	7,413	7,301	112
Total Forensic Sciences	**7,413**	**7,301**	**112**
Foresters Registration Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Foresters Registration Board	**-**	**-**	**-**
Forestry Commission			
Capital Outlay	-	-	-
Forest Resources Protection and Development	-	-	-
Total Forestry Commission	**-**	**-**	**-**
Forever Wild Land Trust			
Administrative Services	-	-	-
Capital Outlay	-	-	-
Total Forever Wild Land Trust	**-**	**-**	**-**
Fringe Benefit Accounts			
Fringe Benefits: Judicial Retirement - GF Share	1,278	1,278	-
Total Fringe Benefit Accounts	**1,278**	**1,278**	**-**
Funeral Services Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Funeral Services Board	**-**	**-**	**-**
General Contractors Licensing Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total General Contractors Licensing Board	**-**	**-**	**-**
General Fund Direct Disbursements			
Fine Arts: Music Hall of Fame	246	246	-
Historical Resources Management: Cahaba Advisory Committee	365	365	-
Historical Resources Management: Gorgas Memorial Board	25	25	-
Historical Resources Management: Historic Chattahoochee Commission	168	168	-
Historical Resources Management: Historic Ironworks Commission	386	386	-
Historical Resources Management: St. Stephens Historical Commission	250	250	-
Historical Resources Management: Women's Hall of Fame	13	13	-
Mineral, Energy, and Water Resources: Southern States Energy Board	22	22	-
Special Services: Southern Growth Policies Board	29	29	-
Tourism and Travel Promotion: Historic Blakeley Authority	440	440	-
Tourism and Travel Promotion: Motor Sports Hall of Fame	132	132	-
Water Resource Development: Choccolocco Creek Watershed	25	25	-
Water Resource Development: Elk River Development	20	20	-
Water Resource Development: Tennessee-Tombigbee Waterway	110	110	-
Total General Fund Direct Disbursements	**2,231**	**2,231**	**-**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
-	-	-	-	-	-	92	60	32
-	-	-	-	-	-	**92**	**60**	**32**
-	-	-	9,023	7,610	1,413	16,436	14,911	1,525
-	-	-	**9,023**	**7,610**	**1,413**	**16,436**	**14,911**	**1,525**
-	-	-	140	88	52	140	88	52
-	-	-	**140**	**88**	**52**	**140**	**88**	**52**
-	-	-	363	157	206	363	157	206
-	-	-	28,531	27,777	754	28,531	27,777	754
-	-	-	**28,894**	**27,934**	**960**	**28,894**	**27,934**	**960**
-	-	-	2,299	503	1,796	2,299	503	1,796
-	-	-	11,339	9,745	1,594	11,339	9,745	1,594
-	-	-	**13,638**	**10,248**	**3,390**	**13,638**	**10,248**	**3,390**
-	-	-	-	-	-	1,278	1,278	-
-	-	-	-	-	-	**1,278**	**1,278**	-
-	-	-	185	167	18	185	167	18
-	-	-	**185**	**167**	**18**	**185**	**167**	**18**
-	-	-	1,503	1,050	453	1,503	1,050	453
-	-	-	**1,503**	**1,050**	**453**	**1,503**	**1,050**	**453**
-	-	-	-	-	-	246	246	-
-	-	-	-	-	-	365	365	-
-	-	-	-	-	-	25	25	-
-	-	-	-	-	-	168	168	-
-	-	-	-	-	-	386	386	-
-	-	-	-	-	-	250	250	-
-	-	-	-	-	-	13	13	-
-	-	-	-	-	-	22	22	-
-	-	-	-	-	-	29	29	-
-	-	-	-	-	-	440	440	-
-	-	-	-	-	-	132	132	-
-	-	-	-	-	-	25	25	-
-	-	-	-	-	-	20	20	-
-	-	-	-	-	-	110	110	-
-	-	-	-	-	-	**2,231**	**2,231**	-

Continued on next page...

DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*
(Continued from previous page)

For the Fiscal Year Ended September 30, 2001

(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
General Fund Non-State			
Non-State: AIDS-Task Force	53	53	-
Non-State: Alabama Travel Council	100	100	-
Non-State: Alabama's Young Woman of the Year	13	13	-
Non-State: America's Young Woman of the Year	56	56	-
Non-State: Autism Society of Alabama	50	50	-
Non-State: Beacon House-Jasper	35	35	-
Non-State: Bessemer Cut-Off Advocacy Center	125	125	-
Non-State: Blount County Children's Advocacy Center	125	125	-
Non-State: Butler County Children's Advocacy Center	125	125	-
Non-State: Calhoun-Cleburne Children's Center	125	125	-
Non-State: Care House, Inc	125	125	-
Non-State: Child Advocacy Center, Inc	125	125	-
Non-State: Children's Advocacy Center of Cullman County	125	125	-
Non-State: Children's Advocacy Center of East Alabama	125	125	-
Non-State: Children's Advocacy Center of Marshall County	125	125	-
Non-State: Coalition Against Domestic Violence	844	844	-
Non-State: Coosa-Alabama River Improvement	93	93	-
Non-State: Council on Child Abuse	193	193	-
Non-State: DeKalb County Children's Advocacy Center	125	125	-
Non-State: Elyton Recovery Center	62	62	-
Non-State: Gadsden-Etowah County Child Advocacy Court	125	125	-
Non-State: Kidney Foundation, Inc	375	375	-
Non-State: Lighthouse Counseling Center	30	30	-
Non-State: Montgomery Child Protection and Advocacy Center	125	125	-
Non-State: National Children's Advocacy Center	125	125	-
Non-State: Network of Children's Advocacy Centers	300	300	-
Non-State: Northwest Alabama Children's Advocacy Center	125	125	-
Non-State: Parkinson Association of Alabama	85	85	-
Non-State: Prescott House	125	125	-
Non-State: Retired Senior Volunteer Program	292	292	-
Non-State: Russell County Children's Advocacy Center	125	125	-
Non-State: Shelby County Advocacy Center	125	125	-
Non-State: Shoals Entrepreneurial Center	100	100	-
Non-State: Southeast Alabama Child Advocacy Center	125	125	-
Non-State: St. Claire County Child Advocacy	125	125	-
Non-State: Tri-Rivers Waterway Development	63	63	-
Non-State: Tuscaloosa Children's Center	125	125	-
Non-State: Warrior-Tombigbee Development	70	70	-
Non-State: WRATT Foundation	75	75	-
Total General Fund Non-State	**5,389**	**5,389**	**-**
Geological Survey			
Mineral, Energy, and Water Resources	2,247	2,246	1
Total Geological Survey	**2,247**	**2,246**	**1**
Governor's Mansion Advisory Board			
Historical Resources Management	-	-	-
Total Governor's Mansion Advisory Board	**-**	**-**	**-**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
-	-	-	-	-	-	53	53	-
-	-	-	-	-	-	100	100	-
-	-	-	-	-	-	13	13	-
-	-	-	-	-	-	56	56	-
-	-	-	-	-	-	50	50	-
-	-	-	-	-	-	35	35	-
-	-	-	-	-	-	125	125	-
-	-	-	-	-	-	125	125	-
-	-	-	-	-	-	125	125	-
-	-	-	-	-	-	125	125	-
-	-	-	-	-	-	125	125	-
-	-	-	-	-	-	125	125	-
-	-	-	-	-	-	125	125	-
-	-	-	-	-	-	125	125	-
-	-	-	-	-	-	125	125	-
-	-	-	-	-	-	844	844	-
-	-	-	-	-	-	93	93	-
-	-	-	-	-	-	193	193	-
-	-	-	-	-	-	125	125	-
-	-	-	-	-	-	62	62	-
-	-	-	-	-	-	125	125	-
-	-	-	-	-	-	375	375	-
-	-	-	-	-	-	30	30	-
-	-	-	-	-	-	125	125	-
-	-	-	-	-	-	125	125	-
-	-	-	-	-	-	300	300	-
-	-	-	-	-	-	125	125	-
-	-	-	-	-	-	85	85	-
-	-	-	-	-	-	125	125	-
-	-	-	-	-	-	292	292	-
-	-	-	-	-	-	125	125	-
-	-	-	-	-	-	125	125	-
-	-	-	-	-	-	100	100	-
-	-	-	-	-	-	125	125	-
-	-	-	-	-	-	125	125	-
-	-	-	-	-	-	63	63	-
-	-	-	-	-	-	125	125	-
-	-	-	-	-	-	70	70	-
-	-	-	-	-	-	75	75	-
-	**-**	**-**	**-**	**-**	**-**	**5,389**	**5,389**	**-**
-	-	-	1,349	1,256	93	3,596	3,502	94
-	**-**	**-**	**1,349**	**1,256**	**93**	**3,596**	**3,502**	**94**
-	-	-	6	-	6	6	-	6
-	**-**	**-**	**6**	**-**	**6**	**6**	**-**	**6**

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DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*
(Continued from previous page)

For the Fiscal Year Ended September 30, 2001

(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
Governor's Office on Disability			
Executive Direction	229	216	13
Total Governor's Office on Disability	**229**	**216**	**13**
Health Planning and Development			
Health Planning Development and Regulation	-	-	-
Total Health Planning and Development	**-**	**-**	**-**
Hearing Instrument Dealers Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Hearing Instrument Dealers Board	**-**	**-**	**-**
Heating and Air Conditioning Contractors Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Heating and Air Conditioning Contractors Board	**-**	**-**	**-**
High School of Math and Science			
Financial Assistance	-	-	-
Total High School of Math and Science	**-**	**-**	**-**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
-	-	-	26	8	18	255	224	31
-	**-**	**-**	**26**	**8**	**18**	**255**	**224**	**31**
-	-	-	1,060	765	295	1,060	765	295
-	**-**	**-**	**1,060**	**765**	**295**	**1,060**	**765**	**295**
-	-	-	54	24	30	54	24	30
-	**-**	**-**	**54**	**24**	**30**	**54**	**24**	**30**
-	-	-	494	426	68	494	426	68
-	**-**	**-**	**494**	**426**	**68**	**494**	**426**	**68**
5,128	5,128	-	-	-	-	5,128	5,128	-
5,128	**5,128**	**-**	**-**	**-**	**-**	**5,128**	**5,128**	**-**

Continued on next page...

DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*
(Continued from previous page)

For the Fiscal Year Ended September 30, 2001

(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
Historical Commission			
Capital Outlay: Alabama Historical Commission	-	-	-
Capital Outlay: Capitol Preservation	-	-	-
Capital Outlay: Confederate Park-Soldier Fund	-	-	-
Capital Outlay: Fort Morgan	-	-	-
Capital Outlay: Gaineswood	-	-	-
Capital Outlay: Joe Wheeler House	-	-	-
Historical Resources Management: Alabama Historical Commission	-	-	-
Historical Resources Management: Aliceville POW Museum	-	-	-
Historical Resources Management: B. Jones Center - Woodville	-	-	-
Historical Resources Management: Battle-Friedman-Tuscaloosa	-	-	-
Historical Resources Management: Cahaba	-	-	-
Historical Resources Management: Capitol Preservation	-	-	-
Historical Resources Management: Childersburg Heritage Foundation	-	-	-
Historical Resources Management: City of Luverne	-	-	-
Historical Resources Management: Confederate Park-Soldier Fund	-	-	-
Historical Resources Management: Court House in Monroeville	-	-	-
Historical Resources Management: Donnell House	-	-	-
Historical Resources Management: Fendall Hall	-	-	-
Historical Resources Management: Fort Morgan	-	-	-
Historical Resources Management: Fort Toulouse	-	-	-
Historical Resources Management: Ft Payne, Bridgeport, Stevenson	-	-	-
Historical Resources Management: Gaineswood	-	-	-
Historical Resources Management: Greenville Historic Library	-	-	-
Historical Resources Management: Hank Williams Museum	-	-	-
Historical Resources Management: Hank Williams Museum Montgomery	-	-	-
Historical Resources Management: Helen Keller Birthplace	-	-	-
Historical Resources Management: Houston Library-Athens	-	-	-
Historical Resources Management: J T Morgan House	-	-	-
Historical Resources Management: Joe Wheeler House	-	-	-
Historical Resources Management: La Grange	-	-	-
Historical Resources Management: Magnolia Grove	-	-	-
Historical Resources Management: Martin Luther King, Jr - Montgomery	-	-	-
Historical Resources Management: Nat King Cole House	-	-	-
Historical Resources Management: Russell City Historical Association	-	-	-
Total Historical Commission	**-**	**-**	**-**
Home Builders Licensure Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Home Builders Licensure Board	**-**	**-**	**-**
Home Medical Equipment Services Provider Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Home Medical Equipment Services Provider Board	**-**	**-**	**-**
Indian Affairs Commission			
Social Services	208	204	4
Total Indian Affairs Commission	**208**	**204**	**4**
Insurance			
Regulatory Services	-	-	-
Total Insurance	**-**	**-**	**-**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
-	-	-	410	-	410	410	-	410
-	-	-	5,695	275	5,420	5,695	275	5,420
-	-	-	120	120	-	120	120	-
-	-	-	200	87	113	200	87	113
-	-	-	200	38	162	200	38	162
-	-	-	732	295	437	732	295	437
-	-	-	4,247	3,501	746	4,247	3,501	746
-	-	-	30	30	-	30	30	-
-	-	-	25	25	-	25	25	-
-	-	-	50	50	-	50	50	-
-	-	-	287	256	31	287	256	31
-	-	-	1,020	884	136	1,020	884	136
-	-	-	25	25	-	25	25	-
-	-	-	25	25	-	25	25	-
-	-	-	302	263	39	302	263	39
-	-	-	25	-	25	25	-	25
-	-	-	20	20	-	20	20	-
-	-	-	140	110	30	140	110	30
-	-	-	410	367	43	410	367	43
-	-	-	424	379	45	424	379	45
-	-	-	60	60	-	60	60	-
-	-	-	119	109	10	119	109	10
-	-	-	13	6	7	13	6	7
-	-	-	25	25	-	25	25	-
-	-	-	50	50	-	50	50	-
-	-	-	60	60	-	60	60	-
-	-	-	30	30	-	30	30	-
-	-	-	24	9	15	24	9	15
-	-	-	206	121	85	206	121	85
-	-	-	35	35	-	35	35	-
-	-	-	83	59	24	83	59	24
-	-	-	25	25	-	25	25	-
-	-	-	75	-	75	75	-	75
-	-	-	35	35	-	35	35	-
-	**-**	**-**	**15,227**	**7,374**	**7,853**	**15,227**	**7,374**	**7,853**
-	-	-	1,604	1,476	128	1,604	1,476	128
-	**-**	**-**	**1,604**	**1,476**	**128**	**1,604**	**1,476**	**128**
-	-	-	40	19	21	40	19	21
-	**-**	**-**	**40**	**19**	**21**	**40**	**19**	**21**
-	-	-	47	46	1	255	250	5
-	**-**	**-**	**47**	**46**	**1**	**255**	**250**	**5**
-	-	-	5,684	3,889	1,795	5,684	3,889	1,795
-	**-**	**-**	**5,684**	**3,889**	**1,795**	**5,684**	**3,889**	**1,795**

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DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*
(Continued from previous page)

For the Fiscal Year Ended September 30, 2001

(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
Interior Design Registration Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Interior Design Registration Board	**-**	**-**	**-**
Interpreters and Transliterators			
Professional and Occupational Licensure and Regulation	-	-	-
Total Interpreters and Transliterators	**-**	**-**	**-**
Joint Legislative Oversight Committee on Community Service			
Alabama Community Service Grant	-	-	-
Total Joint Legislative Oversight Committee on Community Service	**-**	**-**	**-**
Judicial Inquiry Commission			
Administrative Services	405	405	-
Total Judicial Inquiry Commission	**405**	**405**	**-**
Knight vs. Alabama Financial Obligation			
Support of State Universities: Attorney's Fees	-	-	-
Support of State Universities: Capital Funds - Engineering at Alabama A&M	-	-	-
Support of State Universities: Electrical/Mechnical Engineering Programs-Alabama A&M	-	-	-
Support of State Universities: Ext System-Urban/Non Trade Programs-Alabama A&M	-	-	-
Support of State Universities: Health Information Management Program - Alabama State Univ.	-	-	-
Support of State Universities: Master of Accountancy Program - Alabama State University	-	-	-
Support of State Universities: Occupational Therapy Program - Alabama State University	-	-	-
Support of State Universities: Physical Therapy Program-Alabama State University	-	-	-
Support of State Universities: Scholarships to Diversify-A&M	-	-	-
Support of State Universities: Scholarships to Diversify-ASU	-	-	-
Support of State Universities: Trust for Educational Excellence, Base-Alabama A&M	-	-	-
Support of State Universities: Trust for Educational Excellence, Base-Alabama State	-	-	-
Support of State Universities: Trust for Educational Excellence, Match-Alabama State	-	-	-
Total Knight vs. Alabama Financial Obligation	**-**	**-**	**-**
Labor			
Regulatory Services	386	363	23
Total Labor	**386**	**363**	**23**
Landscape Architect Examining Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Landscape Architect Examining Board	**-**	**-**	**-**
Legislative Council			
Legislative Operations and Support	292	277	15
Total Legislative Council	**292**	**277**	**15**
Legislative Fiscal Office			
Legislative Operations and Support	1,758	1,396	362
Total Legislative Fiscal Office	**1,758**	**1,396**	**362**
Legislative Reference Service			
Legislative Operations and Support: Code Supplement-LRS	115	78	37
Legislative Operations and Support: Legislative Reference Service	2,339	2,110	229
Total Legislative Reference Service	**2,454**	**2,188**	**266**
Lieutenant Governor			
Legislative Operations and Support	600	442	158
Total Lieutenant Governor	**600**	**442**	**158**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
-	-	-	25	24	1	25	24	1
-	**-**	**-**	**25**	**24**	**1**	**25**	**24**	**1**
-	-	-	15	13	2	15	13	2
-	**-**	**-**	**15**	**13**	**2**	**15**	**13**	**2**
12,128	12,128	-	-	-	-	12,128	12,128	-
12,128	**12,128**	**-**	**-**	**-**	**-**	**12,128**	**12,128**	**-**
-	-	-	-	-	-	405	405	-
-	**-**	**-**	**-**	**-**	**-**	**405**	**405**	**-**
160	160	-	-	-	-	160	160	-
2,669	2,669	-	-	-	-	2,669	2,669	-
363	363	-	-	-	-	363	363	-
164	164	-	-	-	-	164	164	-
118	118	-	-	-	-	118	118	-
36	36	-	-	-	-	36	36	-
226	226	-	-	-	-	226	226	-
88	88	-	-	-	-	88	88	-
518	518	-	-	-	-	518	518	-
1,050	1,050	-	-	-	-	1,050	1,050	-
1,000	1,000	-	-	-	-	1,000	1,000	-
1,000	1,000	-	-	-	-	1,000	1,000	-
1,000	1,000	-	-	-	-	1,000	1,000	-
8,392	**8,392**	**-**	**-**	**-**	**-**	**8,392**	**8,392**	**-**
-	-	-	149	142	7	535	505	30
-	**-**	**-**	**149**	**142**	**7**	**535**	**505**	**30**
-	-	-	60	42	18	60	42	18
-	**-**	**-**	**60**	**42**	**18**	**60**	**42**	**18**
-	-	-	-	-	-	292	277	15
-	**-**	**-**	**-**	**-**	**-**	**292**	**277**	**15**
-	-	-	-	-	-	1,758	1,396	362
-	**-**	**-**	**-**	**-**	**-**	**1,758**	**1,396**	**362**
-	-	-	-	-	-	115	78	37
-	-	-	-	-	-	2,339	2,110	229
-	**-**	**-**	**-**	**-**	**-**	**2,454**	**2,188**	**266**
-	-	-	-	-	-	600	442	158
-	**-**	**-**	**-**	**-**	**-**	**600**	**442**	**158**

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DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*
(Continued from previous page)

For the Fiscal Year Ended September 30, 2001

(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
Liquefied Petroleum Gas Board			
Regulatory Services	-	-	-
Total Liquefied Petroleum Gas Board	**-**	**-**	**-**
Marriage and Family Therapy Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Marriage and Family Therapy Board	**-**	**-**	**-**
Massage Therapy Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Massage Therapy Board	**-**	**-**	**-**
Men's Hall of Fame			
Historical Resources Management	20	20	-
Total Men's Hall of Fame	**20**	**20**	**-**
Military			
Capital Outlay: Capital Outlay	-	-	-
Military Operations	-	-	-
Military Operations: Active Military Service	508	184	324
Military Operations: Operations	1,419	1,418	1
Military Operations: Operations and Maintenance	1,983	1,983	-
Military Operations: Quartering Allowance to Headquarters	1,450	1,450	-
Military Operations: State Defense Force	18	18	-
Total Military	**5,378**	**5,053**	**325**
Nursing Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Nursing Board	**-**	**-**	**-**
Nursing Home Administration Examining Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Nursing Home Administration Examining Board	**-**	**-**	**-**
Occupational Therapy Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Occupational Therapy Board	**-**	**-**	**-**
Office of National and Community Service			
Executive Direction	115	115	-
Total Office of National and Community Service	**115**	**115**	**-**
Office of Prosecution Services			
Prosecution Training Education and Management	684	684	-
Total Office of Prosecution Services	**684**	**684**	**-**
Oil and Gas Board			
Management and Regulation of Oil and Gas Exploration/Development	2,158	2,129	29
Total Oil and Gas Board	**2,158**	**2,129**	**29**
Pardons and Paroles			
Administration of Pardons and Paroles	14,081	14,012	69
Total Pardons and Paroles	**14,081**	**14,012**	**69**
Peace Officer Annuity and Benefit			
Retirement Systems	-	-	-
Total Peace Officer Annuity and Benefit	**-**	**-**	**-**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
-	-	-	762	556	206	762	556	206
-	**-**	**-**	**762**	**556**	**206**	**762**	**556**	**206**
-	-	-	60	58	2	60	58	2
-	**-**	**-**	**60**	**58**	**2**	**60**	**58**	**2**
-	-	-	75	64	11	75	64	11
-	**-**	**-**	**75**	**64**	**11**	**75**	**64**	**11**
-	-	-	-	-	-	20	20	-
-	**-**	**-**	**-**	**-**	**-**	**20**	**20**	**-**
-	-	-	8,845	2,460	6,385	8,845	2,460	6,385
-	-	-	6	2	4	6	2	4
-	-	-	-	-	-	508	184	324
-	-	-	-	-	-	1,419	1,418	1
-	-	-	12,920	12,519	401	14,903	14,502	401
-	-	-	-	-	-	1,450	1,450	-
-	-	-	-	-	-	18	18	-
-	**-**	**-**	**21,771**	**14,981**	**6,790**	**27,149**	**20,034**	**7,115**
53	48	5	3,180	3,130	50	3,233	3,178	55
53	**48**	**5**	**3,180**	**3,130**	**50**	**3,233**	**3,178**	**55**
-	-	-	100	79	21	100	79	21
-	**-**	**-**	**100**	**79**	**21**	**100**	**79**	**21**
-	-	-	125	73	52	125	73	52
-	**-**	**-**	**125**	**73**	**52**	**125**	**73**	**52**
-	-	-	2,312	1,336	976	2,427	1,451	976
-	**-**	**-**	**2,312**	**1,336**	**976**	**2,427**	**1,451**	**976**
-	-	-	2,487	1,418	1,069	3,171	2,102	1,069
-	**-**	**-**	**2,487**	**1,418**	**1,069**	**3,171**	**2,102**	**1,069**
-	-	-	200	130	70	2,358	2,259	99
-	**-**	**-**	**200**	**130**	**70**	**2,358**	**2,259**	**99**
-	-	-	8,226	6,074	2,152	22,307	20,086	2,221
-	**-**	**-**	**8,226**	**6,074**	**2,152**	**22,307**	**20,086**	**2,221**
-	-	-	467	338	129	467	338	129
-	**-**	**-**	**467**	**338**	**129**	**467**	**338**	**129**

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DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*
(Continued from previous page)

For the Fiscal Year Ended September 30, 2001

(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
Peace Officer Standards and Training			
Certified Law Enforcement Academy Program	-	-	-
Professional and Occupational Licensure and Regulation	-	-	-
Total Peace Officer Standards and Training	-	-	-
Personnel			
Administrative Support Service	-	-	-
Total Personnel	-	-	-
Physical Fitness Commission			
Advisory Services	-	-	-
Total Physical Fitness Commission	-	-	-
Physical Therapy Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Physical Therapy Board	-	-	-
Plumbers and Gas Fitters Examining Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Plumbers and Gas Fitters Examining Board	-	-	-
Polygraph Examiners			
Professional and Occupational Licensure and Regulation	-	-	-
Total Polygraph Examiners	-	-	-
President Pro Tempore Senate			
Legislative Operations and Support	766	580	186
Total President Pro Tempore Senate	**766**	**580**	**186**
Proessional Engineers Registration Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Proessional Engineers Registration Board	-	-	-
Professional Geologists Licensing Board			
Mineral, Energy, and Water Resources	-	-	-
Total Professional Geologists Licensing Board	-	-	-
Psychology Examiners Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Psychology Examiners Board	-	-	-
Public Education Employees Health Insurance Board			
Administrative Support Service	-	-	-
Total Public Education Employees Health Insurance Board	-	-	-
Public Library Service			
Public Library Services	-	-	-
Total Public Library Service	-	-	-
Public Livestock Market Board			
Agricultural Development Services	-	-	-
Total Public Livestock Market Board	-	-	-
Public School and College Authority			
Capital Outlay	-	-	-
Total Public School and College Authority	-	-	-
Real Estate Appraisers Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Real Estate Appraisers Board	-	-	-

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
575	575	-	450	450	-	1,025	1,025	-
379	378	1	1,000	154	846	1,379	532	847
954	**953**	**1**	**1,450**	**604**	**846**	**2,404**	**1,557**	**847**
-	-	-	7,312	6,090	1,222	7,312	6,090	1,222
-	**-**	**-**	**7,312**	**6,090**	**1,222**	**7,312**	**6,090**	**1,222**
243	243	-	2	-	2	245	243	2
243	**243**	**-**	**2**	**-**	**2**	**245**	**243**	**2**
-	-	-	284	167	117	284	167	117
-	**-**	**-**	**284**	**167**	**117**	**284**	**167**	**117**
-	-	-	1,803	1,556	247	1,803	1,556	247
-	**-**	**-**	**1,803**	**1,556**	**247**	**1,803**	**1,556**	**247**
-	-	-	20	12	8	20	12	8
-	**-**	**-**	**20**	**12**	**8**	**20**	**12**	**8**
-	-	-	-	-	-	766	580	186
-	**-**	**-**	**-**	**-**	**-**	**766**	**580**	**186**
-	-	-	895	740	155	895	740	155
-	**-**	**-**	**895**	**740**	**155**	**895**	**740**	**155**
-	-	-	100	63	37	100	63	37
-	**-**	**-**	**100**	**63**	**37**	**100**	**63**	**37**
-	-	-	201	115	86	201	115	86
-	**-**	**-**	**201**	**115**	**86**	**201**	**115**	**86**
-	-	-	1,282	952	330	1,282	952	330
-	**-**	**-**	**1,282**	**952**	**330**	**1,282**	**952**	**330**
10,314	10,133	181	2,486	2,454	32	12,800	12,587	213
10,314	**10,133**	**181**	**2,486**	**2,454**	**32**	**12,800**	**12,587**	**213**
-	-	-	4	-	4	4	-	4
-	**-**	**-**	**4**	**-**	**4**	**4**	**-**	**4**
-	-	-	158,921	33,464	125,457	158,921	33,464	125,457
-	**-**	**-**	**158,921**	**33,464**	**125,457**	**158,921**	**33,464**	**125,457**
-	-	-	633	618	15	633	618	15
-	**-**	**-**	**633**	**618**	**15**	**633**	**618**	**15**

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DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*
(Continued from previous page)

For the Fiscal Year Ended September 30, 2001

(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
Real Estate Commission			
Professional and Occupational Licensure and Regulation	-	-	-
Total Real Estate Commission	**-**	**-**	**-**
Retirement Systems of Alabama			
Retirement Systems	-	-	-
Total Retirement Systems of Alabama	**-**	**-**	**-**
Securities Commission			
Regulatory Services	-	-	-
Total Securities Commission	**-**	**-**	**-**
Senior Citizens Hall of Fame			
Historical Resources Management	16	15	1
Total Senior Citizens Hall of Fame	**16**	**15**	**1**
Senior Services			
Medicaid Waiver Services	6,366	6,366	-
Planning and Advocacy for Elderly	3,129	3,129	-
Total Senior Services	**9,495**	**9,495**	**-**
Sickle Cell Oversight Commission			
Support - Other Educational Activities	-	-	-
Total Sickle Cell Oversight Commission	**-**	**-**	**-**
Social Work Examiners Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Social Work Examiners Board	**-**	**-**	**-**
Soil and Water Conservation Commission			
Professional and Occupational Licensure and Regulation	-	-	-
Soil Conservation Program	-	-	-
Water Resource Development	3,064	3,017	47
Total Soil and Water Conservation Commission	**3,064**	**3,017**	**47**
Southern Dairy Compact Commission			
Agricultural Development Services	25	-	25
Total Southern Dairy Compact Commission	**25**	**-**	**25**
Speaker of the House			
Speaker of House, Office of	802	363	439
Total Speaker of the House	**802**	**363**	**439**
Speech Pathologists and Audiologists Examining Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Speech Pathologists and Audiologists Examining Board	**-**	**-**	**-**
Sports Hall of Fame Board			
Historical Resources Management	275	275	-
Support - Other Educational Activities	-	-	-
Total Sports Hall of Fame Board	**275**	**275**	**-**
State Bar Association			
Professional and Occupational Licensure and Regulation	-	-	-
Total State Bar Association	**-**	**-**	**-**
State Employees Insurance Board			
Administrative Support Service	-	-	-
Fringe Benefits	-	-	-
Total State Employees Insurance Board	**-**	**-**	**-**

Education Trust Fund			Earmarked Funds			Total		
Budget	**Actual**	**Variance**	**Budget**	**Actual**	**Variance**	**Budget**	**Actual**	**Variance**
-	-	-	2,940	1,404	1,536	2,940	1,404	1,536
-	**-**	**-**	**2,940**	**1,404**	**1,536**	**2,940**	**1,404**	**1,536**
-	-	-	23,857	17,447	6,410	23,857	17,447	6,410
-	**-**	**-**	**23,857**	**17,447**	**6,410**	**23,857**	**17,447**	**6,410**
-	-	-	4,622	3,770	852	4,622	3,770	852
-	**-**	**-**	**4,622**	**3,770**	**852**	**4,622**	**3,770**	**852**
-	-	-	-	-	-	16	15	1
-	**-**	**-**	**-**	**-**	**-**	**16**	**15**	**1**
-	-	-	15,526	10,529	4,997	21,892	16,895	4,997
-	-	-	19,506	19,049	457	22,635	22,178	457
-	**-**	**-**	**35,032**	**29,578**	**5,454**	**44,527**	**39,073**	**5,454**
1,657	1,656	1	-	-	-	1,657	1,656	1
1,657	**1,656**	**1**	**-**	**-**	**-**	**1,657**	**1,656**	**1**
-	-	-	213	134	79	213	134	79
-	**-**	**-**	**213**	**134**	**79**	**213**	**134**	**79**
-	-	-	5	2	3	5	2	3
20	13	7	-	-	-	20	13	7
-	-	-	471	334	137	3,535	3,351	184
20	**13**	**7**	**476**	**336**	**140**	**3,560**	**3,366**	**194**
-	-	-	-	-	-	25	-	25
-	**-**	**-**	**-**	**-**	**-**	**25**	**-**	**25**
-	-	-	-	-	-	802	363	439
-	**-**	**-**	**-**	**-**	**-**	**802**	**363**	**439**
-	-	-	139	71	68	139	71	68
-	**-**	**-**	**139**	**71**	**68**	**139**	**71**	**68**
-	-	-	-	-	-	275	275	-
188	188	-	-	-	-	188	188	-
188	**188**	**-**	**-**	**-**	**-**	**463**	**463**	**-**
-	-	-	3,893	3,162	731	3,893	3,162	731
-	**-**	**-**	**3,893**	**3,162**	**731**	**3,893**	**3,162**	**731**
-	-	-	1,946	1,678	268	1,946	1,678	268
-	-	-	434	291	143	434	291	143
-	**-**	**-**	**2,380**	**1,969**	**411**	**2,380**	**1,969**	**411**

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DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*
(Continued from previous page)

For the Fiscal Year Ended September 30, 2001

(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
State Industrial Development Authority			
Capital Outlay	-	-	-
Industrial Development	-	-	-
Total State Industrial Development Authority	**-**	**-**	**-**
State Tenure Commission			
Regulation	-	-	-
Total State Tenure Commission	**-**	**-**	**-**
Supercomputer Authority			
Administrative Support Service	-	-	-
Total Supercomputer Authority	**-**	**-**	**-**
Supreme Court			
Court Operations	7,931	7,742	189
Total Supreme Court	**7,931**	**7,742**	**189**
Supreme Court Law Library			
Court Operations	1,690	1,689	1
Total Supreme Court Law Library	**1,690**	**1,689**	**1**
Surface Mining Commission			
Industrial Safety and Accident Prevention	-	-	-
Total Surface Mining Commission	**-**	**-**	**-**
Tennessee Valley Exhibit Commission			
Promotional Development	114	113	1
Total Tennessee Valley Exhibit Commission	**114**	**113**	**1**
Tourism and Travel			
Tourism and Travel Promotion	2,373	2,329	44
Total Tourism and Travel	**2,373**	**2,329**	**44**
Twenty-first Century Authority			
Capital Outlay	-	-	-
Total Twenty-first Century Authority	**-**	**-**	**-**
Veterans Affairs			
Administration of Veterans Affairs	6,522	6,206	316
Capital Outlay	-	-	-
Total Veterans Affairs	**6,522**	**6,206**	**316**
Veterinarian Medical Examiners Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Veterinarian Medical Examiners Board	**-**	**-**	**-**
Voter Registration			
Special Services	504	504	-
Total Voter Registration	**504**	**504**	**-**
Women's Commission			
Employment and Social Opportunities	20	3	17
Total Women's Commission	**20**	**3**	**17**
TOTAL OTHER	**175,011**	**168,069**	**6,942**
TOTAL EXPENDITURES	**$ 953,586**	**$ 939,984**	**$ 13,602**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
-	-	-	4,990	4,836	154	4,990	4,836	154
-	-	-	68	52	16	68	52	16
-	**-**	**-**	**5,058**	**4,888**	**170**	**5,058**	**4,888**	**170**
19	19	-	-	-	-	19	19	-
19	**19**	**-**	**-**	**-**	**-**	**19**	**19**	**-**
-	-	-	5,444	5,401	43	5,444	5,401	43
-	**-**	**-**	**5,444**	**5,401**	**43**	**5,444**	**5,401**	**43**
-	-	-	-	-	-	7,931	7,742	189
-	**-**	**-**	**-**	**-**	**-**	**7,931**	**7,742**	**189**
-	-	-	-	-	-	1,690	1,689	1
-	**-**	**-**	**-**	**-**	**-**	**1,690**	**1,689**	**1**
-	-	-	3,131	2,379	752	3,131	2,379	752
-	**-**	**-**	**3,131**	**2,379**	**752**	**3,131**	**2,379**	**752**
-	-	-	291	100	191	405	213	192
-	**-**	**-**	**291**	**100**	**191**	**405**	**213**	**192**
-	-	-	8,615	8,116	499	10,988	10,445	543
-	**-**	**-**	**8,615**	**8,116**	**499**	**10,988**	**10,445**	**543**
-	-	-	16,757	2,369	14,388	16,757	2,369	14,388
-	**-**	**-**	**16,757**	**2,369**	**14,388**	**16,757**	**2,369**	**14,388**
6,606	6,606	-	16,627	11,446	5,181	29,755	24,258	5,497
-	-	-	775	-	775	775	-	775
6,606	**6,606**	**-**	**17,402**	**11,446**	**5,956**	**30,530**	**24,258**	**6,272**
-	-	-	351	254	97	351	254	97
-	**-**	**-**	**351**	**254**	**97**	**351**	**254**	**97**
-	-	-	200	132	68	704	636	68
-	**-**	**-**	**200**	**132**	**68**	**704**	**636**	**68**
-	-	-	-	-	-	20	3	17
-	**-**	**-**	**-**	**-**	**-**	**20**	**3**	**17**
95,590	**94,928**	**662**	**993,898**	**584,792**	**409,106**	**1,264,499**	**847,789**	**416,710**
$3,992,238	**$3,989,256**	**$ 2,982**	**$10,365,806**	**$7,618,605**	**$2,747,201**	**$15,311,630**	**$12,547,845**	**$2,763,785**

Continued on next page...

DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*
(Continued from previous page)

For the Fiscal Year Ended September 30, 2001

(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
OPERATING TRANSFERS:			
EDUCATION TRUST FUND OPERATING TRANSFERS			
ACHE - Eminent Scholars	-	-	-
Building Commission	-	-	-
Child Abuse Board	-	-	-
Education Tech Fund Transfer	-	-	-
Finance-Telephone Revolving	-	-	-
Human Resources	-	-	-
Mental Health	-	-	-
Penny Trust Fund	-	-	-
PSCA - Act 90-735	-	-	-
Public School Fund Endowment	-	-	-
Supercomputer	-	-	-
Veterans Affairs	-	-	-
TOTAL EDUCATION TRUST FUND OPERATING TRANSFERS	**-**	**-**	**-**
GENERAL FUND OPERATING TRANSFERS			
ABC Board Tobacco Regulation	200	-	200
ABI Cost of Evidence	45	45	-
ADEM-Hazardous Substance Fund	36	36	-
ADEM-Operations	4,730	4,730	-
Agriculture and Conservation Development Commission	2,517	2,517	-
Alabama Agricultural Museum	137	137	-
Alabama Building Renovation Finance Authority	1,568	1,568	-
Child Abuse Board	875	875	-
Child Health Insurance Program	16,200	16,200	-
Children's Policy Council	20	20	-
Conservation - Game and Fish	762	762	-
Conservation - Marine Resource	65	65	-
Conservation - Parks	107	107	-
Conservation Administrative	635	602	33
County Government Capital Improvement Fund	9,000	8,572	428
Department of Transportation	125	125	-
Fair Trial Tax Transfer	15,000	15,000	-
Finance - Telephone Revolving	1,270	1,270	-
Forestry Commission	14,168	14,168	-
General Fund Proration Prevention	5,000	5,000	-
Historical Commission	5,167	4,667	500
Human Resources	68,722	68,722	-
Mental Health	89,084	89,084	-
Municipal Government Capital Improvement Fund	9,000	8,570	430
Penny Trust Fund	165	165	-
Pollution Grant	725	725	-
Revenue-Ad Valorem Equalization	250	250	-
Surface Mining Commission	614	614	-
Treasurer-Unclaimed Property	151	151	-
TOTAL GENERAL FUND OPERATING TRANSFERS	**246,338**	**244,747**	**1,591**
TOTAL OPERATING TRANSFERS	**$ 246,338**	**$ 244,747**	**$ 1,591**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
563	563	-	-	-	-	563	563	-
559	559	-	-	-	-	559	559	-
2,058	2,058	-	-	-	-	2,058	2,058	-
2,322	2,322	-	-	-	-	2,322	2,322	-
3,269	3,269	-	-	-	-	3,269	3,269	-
7,464	7,464	-	-	-	-	7,464	7,464	-
19,110	19,110	-	-	-	-	19,110	19,110	-
165	165	-	-	-	-	165	165	-
9,704	-	9,704	-	-	-	9,704	-	9,704
533	533	-	-	-	-	533	533	-
3,851	3,851	-	-	-	-	3,851	3,851	-
2,770	2,770	-	-	-	-	2,770	2,770	-
52,368	**42,664**	**9,704**	**-**	**-**	**-**	**52,368**	**42,664**	**9,704**
-	-	-	-	-	-	200	-	200
-	-	-	-	-	-	45	45	-
-	-	-	-	-	-	36	36	-
-	-	-	-	-	-	4,730	4,730	-
-	-	-	-	-	-	2,517	2,517	-
-	-	-	-	-	-	137	137	-
-	-	-	-	-	-	1,568	1,568	-
-	-	-	-	-	-	875	875	-
-	-	-	-	-	-	16,200	16,200	-
-	-	-	-	-	-	20	20	-
-	-	-	-	-	-	762	762	-
-	-	-	-	-	-	65	65	-
-	-	-	-	-	-	107	107	-
-	-	-	-	-	-	635	602	33
-	-	-	-	-	-	9,000	8,572	428
-	-	-	-	-	-	125	125	-
-	-	-	-	-	-	15,000	15,000	-
-	-	-	-	-	-	1,270	1,270	-
-	-	-	-	-	-	14,168	14,168	-
-	-	-	-	-	-	5,000	5,000	-
-	-	-	-	-	-	5,167	4,667	500
-	-	-	-	-	-	68,722	68,722	-
-	-	-	-	-	-	89,084	89,084	-
-	-	-	-	-	-	9,000	8,570	430
-	-	-	-	-	-	165	165	-
-	-	-	-	-	-	725	725	-
-	-	-	-	-	-	250	250	-
-	-	-	-	-	-	614	614	-
-	-	-	-	-	-	151	151	-
-	-	-	-	-	-	**246,338**	**244,747**	**1,591**
$ 52,368	**$ 42,664**	**$ 9,704**	**$ -**	**$ -**	**$ -**	**$ 298,706**	**$ 287,411**	**$ 11,295**

Continued on next page...

DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*
(Continued from previous page)

For the Fiscal Year Ended September 30, 2001

(Amounts in Thousands)

	General Fund		
	Budget	Actual	Variance
TOTAL EXPENDITURES AND OPERATING TRANSFERS	**$1,199,924**	**$1,184,731**	**$ 15,193**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
$4,044,606	$4,031,920	$ 12,686	$10,365,806	$7,618,605	$2,747,201	$15,610,336	$12,835,256	$2,775,080

ALABAMA
TENNESSEE
MISSISSIPPI
GEORGIA
FLORIDA
GREAT SEAL

STATISTICAL SECTION

REVENUES BY SOURCE
All Governmental Fund Types and Discretely Presented Component Units

For the Last Ten Fiscal Years Ended September 30
(Amounts in Thousands)

Revenue Source	2001	2000	1999	1998	1997
Taxes	$ 5,881,843	$ 6,029,326	$ 5,725,275	$ 5,459,448	$ 5,198,580
Licenses, Permits and Fees	461,181	469,307	424,822	411,851	387,774
Fines, Forfeits, and Court Settlements	138,380	164,834	31,053	30,788	26,047
Investment Income	120,439	119,252	73,179	67,012	71,106
Federal Grants and Reimbursements	4,692,132	4,257,589	3,861,144	3,595,401	3,471,626
Other Revenues	1,191,272	1,152,315	1,067,193	1,019,014	1,000,040
Total Revenues †	**$ 12,485,247**	**$ 12,192,623**	**$ 11,182,666**	**$ 10,583,514**	**$ 10,155,173**

† *Excludes Expendable Trust Funds*

1996	1995	1994	1993	1992
$ 4,983,881	$ 4,787,938	$ 4,527,877	$ 4,413,143	$ 4,164,020
397,337	403,637	425,226	405,138	339,336
19,850	19,061	18,673	18,937	17,467
68,854	58,952	42,529	35,533	47,899
3,386,496	3,329,901	3,140,985	2,625,313	2,397,896
930,166	926,408	831,107	648,610	477,111
$ 9,786,584	**$ 9,525,897**	**$ 8,986,397**	**$ 8,146,674**	**$ 7,443,729**

EXPENDITURES BY FUNCTION

All Governmental Fund Types and Discretely Presented Governmental Fund Component Units

For the Last Ten Fiscal Years Ended September 30

(Amounts in Thousands)

Function of Government	2001	2000	1999	1998	1997
Current:					
Economic Development and Regulation	$ 62,842	$ 59,157	$ 55,385	$ 53,932	$ 103,056
Education and Cultural Resources	3,447,664	3,484,666	3,242,960	3,136,637	2,982,008
Natural Resources and Recreation	55,617	49,404	55,450	45,968	48,738
Health-Physical and Mental	4,023,733	3,698,846	3,397,254	3,220,091	3,094,370
Social Services	1,226,268	1,145,938	1,126,225	1,090,832	1,082,794
Protection of Persons and Property	595,728	558,140	553,516	507,681	464,582
Transportation	1,082,933	962,505	814,724	720,937	730,068
General Government	481,502	440,908	406,941	387,372	369,382
Capital Outlay	277,095	319,549	159,508	98,576	105,595
Debt Service:					
Principal Retirement	127,928	197,356	121,546	122,352	126,884
Interest and Other Charges	107,407	106,081	60,531	57,936	84,075
Distributions to Local Governments	320,556	322,978	315,404	306,005	293,389
Total Expenditures †	**$ 11,809,273**	**$ 11,345,528**	**$ 10,309,444**	**$ 9,748,319**	**$ 9,484,941**

† *Excludes Expendable Trust Funds*

1996	1995	1994	1993	1992
$87,706	$ 94,261	$ 50,927	$ 48,169	$ 49,273
2,781,049	2,763,646	2,583,887	2,422,101	2,324,359
42,647	39,007	37,587	34,403	34,013
2,865,898	2,739,195	2,492,731	2,304,927	2,141,635
1,133,910	1,194,053	1,163,213	708,250	673,279
458,316	398,489	400,539	343,643	331,329
768,215	726,101	673,251	646,233	526,046
355,812	361,331	336,883	328,927	297,561
83,907	35,581	43,572	49,471	69,616
133,011	98,750	71,395	98,640	76,773
68,210	54,567	71,835	74,244	92,015
295,854	288,623	285,154	279,993	251,121
$ 9,074,535	**$ 8,793,604**	**$ 8,210,974**	**$ 7,339,001**	**$ 6,867,020**

GENERAL OBLIGATION BONDS RATIOS

Last Ten Fiscal Years

Year	General Obligation Bonds (GOB) $ Millions	GOB Indebtedness $ Per Capita	Ratio of GOB Indebtedness To Assessed Value †	Ratio of GOB Indebtedness To Personal Income
2001	$ 433.1	$ 97	1.09%	0.40%
2000	292.5	66	.77	0.28
1999	319.1	73	.89	0.33
1998	341.9	79	1.07	0.37
1997	379.6	88	1.30	0.42
1996	417.4	98	1.52	0.49
1995	453.6	107	1.78	0.57
1994	486.4	115	1.97	0.64
1993	516.7	124	2.31	0.72
1992	531.4	129	2.46	0.78

† Based on Total Assessed Valuation information provided by the State Department of Revenue.

RATIO OF ANNUAL DEBT SERVICE FOR GENERAL OBLIGATION BONDED DEBT TO TOTAL GENERAL EXPENDITURES

Last Ten Fiscal Years

(Amounts in Thousands)

Year	Principal	Interest	Total Debt Service	Total General Expenditures	Ratio
2001	$ 47,395	$ 11,049	$ 58,444	$11,809,273	0.49%
2000	28,475	9,809	38,284	11,345,528	0.34
1999	54,440	5,404	59,844	10,309,444	0.58
1998	54,320	8,544	62,864	9,748,319	0.64
1997	53,345	11,579	64,924	9,484,941	0.68
1996	50,550	14,370	64,920	9,074,535	0.72
1995	46,210	16,919	63,129	8,793,604	0.72
1994	41,340	18,537	59,877	8,210,974	0.73
1993	38,120	29,276	67,396	7,339,001	0.92
1992	35,510	32,535	68,045	6,867,020	0.99

SELECTED DEMOGRAPHIC STATISTICS

Last Ten Years

Year	Population (in Thousands)	Per Capita Personal Income	Unemployment Rate	Real Gross State Product (in Billions)**
2001	4,464	$ 24,325 *	5.3%	$ 117.4 *
2000	4,447	23,514	4.6%	116.4 *
1999	4,370	23,038	4.8	110.4
1998	4,352	22,193	4.2	105.8
1997	4,319	21,135	5.1	102.7
1996	4,273	20,412	5.1	99.3
1995	4,246	18,781	6.3	96.6
1994	4,215	17,925	6.0	83.6
1993	4,182	17,129	7.6	80.0
1992	4,131	16,518	7.4	78.1

* Estimated
** 1996 Dollars

Sources: Population: U.S. Census Bureau
Unemployment: Alabama Department of Industrial Relations
Other Data: Auburn University at Montgomery,
University Outreach

ASSESSED VALUATION OF PROPERTY SUBJECT TO AD VALOREM TAXATION

Last Ten Years

(Amounts in Thousands)

Year	Real Property	Personal Property	Public Utilities	Motor Vehicles	Total Assessed Valuation
2001	$25,338,677	$5,487,577	$3,611,822	$5,379,308	$39,817,384
2000	24,163,844	5,174,292	3,508,760	4,999,654	37,846,550
1999	23,126,262	5,682,382	3,420,444	3,656,796	35,885,884
1998	20,302,968	4,985,767	3,139,629	3,542,710	31,971,074
1997	18,697,963	4,389,181	3,053,139	3,019,200	29,159,483
1996	17,702,384	3,924,821	3,067,168	2,775,209	27,469,582
1995	16,553,154	3,548,509	3,023,248	2,392,147	25,517,058
1994	16,000,789	3,407,187	3,012,494	2,229,930	24,650,400
1993	14,308,556	3,312,403	2,839,796	1,896,997	22,357,752
1992	13,632,828	3,219,646	2,771,237	1,958,477	21,582,188

Source: Alabama Department of Revenue

TOP TWENTY MANUFACTURING COMPANIES IN ALABAMA

Rank	Parent Company Name	Total Number of Employees	City	State
1	WestPoint Stevens, Inc.	6,272	West Point	GA
2	Tyson Foods, Inc.	5,221	Springdale	AR
3	EBSCO Industries, Inc.	4,991	Birmingham	AL
4	Gold Kist, Inc.	4,978	Atlanta	GA
5	Russell Corporation	4,870	Alexander City	AL
6	American Cast Iron Pipe Co.	4,626	Birmingham	AL
7	International Paper Co.	4,340	Purchase	NY
8	Delphi Automotives Systems	4,176	Troy	MI
9	Cavalier Homes, Inc.	4,148	Addison	AL
10	Walter Industries	4,053	Tampa	FL
11	Blount International, Inc.	4,000	Montgomery	AL
12	Sanmina Corporation	4,000	San Jose	CA
13	DynCorp	2,758	Reston	VA
14	VF Corporation	2,754	Greensboro	NC
15	The Boeing Company	2,750	Seattle	WA
16	Daimler Chrysler	2,750	Auburn Hills	MI
17	Johnston Industries, Inc.	2,672	Columbus	GA
18	Teledyne Technologies, Inc.	2,575	Los Angeles	CA
19	General Electric Co.	2,476	Fairfield	CT
20	Shaw Industries, Inc.	2,476	Dalton	GA

Source: Alabama Development Office

COMMERCIAL BANK DEPOSITS

Last Ten Years

(Amounts in Millions)

YEAR *	AMOUNT
2000	$122,221
1999	116,768
1998	100,128
1997	71,375
1996	44,438
1995	40,926
1994	39,565
1993	37,373
1992	35,363
1991	33,566

** Data not available for 2001*

Source: FDIC

CONSTRUCTION IN ALABAMA

Last Ten Years

Housing Starts Authorized by Permits*	**2001†**	**2000**	**1999**	**1998**	**1997**	**1996**	**1995**	**1994**	**1993**	**1992**
Single Family Housing Units	16.25	13.67	14.93	14.66	13.63	14.57	12.76	14.44	11.50	11.55
Multifamily Housing Units	2.76	3.73	4.10	5.88	4.10	5.30	6.40	4.69	3.06	2.36
Total Housing Units	19.01	17.40	19.03	20.54	17.73	19.87	19.16	19.13	14.56	13.91

* Units in Thousands

Authorized Valuation on Housing Units**										
Single Family Housing Units	$ 1,864	$ 1,499	$ 1,655	$ 1,501	$ 1,353	$ 1,301	$ 1,142	$ 1,168	$ 1,046	$ 875
Multifamily Housing Units	163	219	227	289	183	208	287	189	101	65
Total Housing Units	2,027	1,718	1,882	1,790	1,536	1,509	1,429	1,357	1,147	940

** Value in Millions of Dollars

† Preliminary amounts

Source: U.S. Bureau of the Census, Current Construction Reports

GENERAL INFORMATION

Date Entered Union	December 14, 1819
State Capital	Montgomery
Miles of State Highway	10,846
Land Area (Square Miles)	51,718
State Trooper Protection:	
Number of Stations	12
Number of State Troopers	611
Higher Education (Public and Private Universities, Community, and Junior Colleges)	
Number of Campuses in State	69
Number of Educators (Fall 2001) *	7,622
Number of Students (Fall 2001)	215,165
Recreation:	
Number of State Parks	24
Area of State Parks (acres)	49,651
Number of State Employees **	35,929

Sources:

Alabama Department of Transportation
Alabama Conservation Department - State Parks Division
Alabama Commission on Higher Education
Alabama Forestry Division
Alabama Department of Public Safety
Alabama Department of Conservation and Natural Resources
Alabama Personnel Department

* Includes 2000-2001 where available and 1999-2000 data otherwise

** Includes State Merit System, House, Senate, and Administrative Office of the Courts

ALABAMA
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